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# ***Daily Report***

## **China**

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# Daily Report

## China

FBIS-CHI-89-221

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17 November 1989

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Article Views U.S. 'Beyond Containment' Strategy

HK2110022289 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 42, 16 Oct 89 p 30

[Article by Li Nan (2621 2809): "Seeking Detente? Seeking Victory Without Battle?—Commenting on the New U.S. Strategy of 'Beyond Containment' Toward the Soviet Union"]

[Text] After World War II, relations between the United States and the Soviet Union and between East and West were beset with difficulties and were as changeable as the weather. Over the past several decades, they have traversed a tortuous path.

In recent years, things have changed with the passage of time. U.S.-Soviet relations have gradually shifted from confrontation to dialogue and from tension to detente. With the tightly-drawn bowstrings easing a little, both parties have played some fairly melodious tunes. Following frequent contacts and continued talks, relations between both parties have tended to warm up.

It is in this period that tides of reform have started in the Soviet Union and other East European countries. President Gorbachev has expressed new thinking on domestic reform and international relations. In the course of reform, however, commodities are in short supply, and the people still feel the pinch of poverty. Demonstrations and strikes happen from time to time, and nationality contradictions have become more acute. In Poland the Solidarity Trade Union has replaced the Polish United Workers Party and controlled government leadership. In Hungary, differences within the Hungarian Socialist Workers Party have increasingly surfaced. These difficulties and problems will undoubtedly become a new factor in U.S.-Soviet and East-West relations.

It is also at this moment that the United States has re-examined its overall strategy toward the Soviet Union and Eastern Europe. In its wake, other Western countries have paid redoubled attention to and intensively studied this issue. How will the trend of detente between the United States and the Soviet Union and between East and West develop and how will the United States and the West face up to and utilize the situation emerging in the Soviet Union and Eastern Europe?

In a speech in May, the U.S. leader said that, after trials of strength over the years since the war, we now have a "valuable opportunity." The U.S. government has finished reviewing its relations with the Soviet Union and found out a new way to solve this trial of strength.

Although the speech also dealt with disarmament, dialogue, cooperation, and detente, its key content was to encourage the Soviet Union to "evolve toward an open society," enable "the Soviet Union to become a member of the international community once again," and "hope

that Soviet reforms will break away from their previous cycles." These words are implicit because their meanings are clear.

The U.S. leader called this new strategy toward the Soviet Union one of "beyond containment," saying that it no longer seeks to contain the Soviet Union in military affairs alone.

While the United States put forward a new strategy toward the Soviet Union, other Western countries have also seized the opportunity to work in coordination. At its 15th annual meeting in mid-July, the seven-nation summit, which always laid emphasis on economic coordination, concentrated on discussing such political issues as the situation in Eastern Europe and East-West relations. The summit's "Political Manifesto" spread the Western concept of value and encouraged the peoples in socialist countries to "set up pluralized democratic societies." In its main chapters, the "Political Manifesto" discussed the ongoing reform process in Poland and Hungary, expressed its readiness to support this process, and considered providing economic aid in an appropriate and coordinated way.

Prior to the meeting of the seven heads of state or government, the U.S. President went to Poland and Hungary for an extraordinary visit. It may well be said that the visit is a concrete implementation of the new strategy toward the Soviet Union and Eastern Europe. In the words of American press, affairs in these two countries "are changing according to the will of the West."

When there was a turning point in the Polish political situation in September, Western government VIPs were so elated that their pleasures showed clearly in their utterances and manners.

The United States and other Western countries stand for continuing the momentum of detente. This is favorable to maintaining world peace and solving regional conflicts. Many Western politicians and commentators talk glibly about easing the East-West tension, but, in their eyes, detente has another meaning. Just as a Japanese newspaper put it, it means "relaxing tension according to the pace of the West," "launching a peace offensive under the situation of detente," and "it will probably serve as a turning point in promoting the formation of central Europe, including Poland and Hungary, and a split in Eastern Europe."

The West stints no effort in enthusiastically praising the reforms in the Soviet Union and Eastern Europe but it also explains the reforms in another way; namely, it wants to guide the reforms toward "changes in the system."

Many resourceful men in the West immediately went into action and, in a very short time, came out with a number of "wise counsels."

Before the U.S. President's visit to Poland and Hungary, the U.S. Traditional Foundation proposed that the President explain to officials in the two countries that the reform should include free elections, judicial independence, and private enterprise. The Traditional Foundation also proposed that the President meet with leaders of democratic opposition and proponents of free markets, encourage establishment of ties with the Western private economy, and advocate that the two countries have the cultural and political traditions of the West.

As analysts of this foundation explained, "beyond containment" means that "there is now an opportunity not only to contain communism but also to make further efforts to emancipate some countries from the fetters of communism."

An academic from the Brookings Institution, which always influences on U.S. foreign policy, offered his idea: Define a date for the summit; encourage the private enterprises' adventurist spirit to invest in the Soviet Union; and provide experts in economic management, monetary policy, and legal disputes who are urgently needed by the other party. According to a report in *THE WALL STREET JOURNAL*, after Tadeusz Mazowiecki of Poland's Solidarity Trade Union became Prime Minister, the U.S. Government began working out plans to aid Poland. The newspaper said that this is a "small-scale Marshall Plan" designed to sow the seeds of capitalism. A key in the plan is to help build a banking system and introduce the operational experience of U.S. banks.

The "small-scale Marshall Plan" has a grandiose ambition. *THE WALL STREET JOURNAL* pointed out that if the plan works, it can provide a successful model for political and economic reforms in Hungary and even the Soviet Union in the future.

A senior FRG official proposed that Western Europe work out a plan to provide aid to Eastern Europe, which is equivalent to the small-scale U.S. Marshall Plan. He said: "Our purpose in formulating this plan is not to make the socialist countries refusing to conduct reform prolong their time of survival again but to offer chances to the reform forces in Eastern Europe."

Japan also seems eager to have a try. In its commentary, a big Japanese newspaper said: At the Japanese-U.S. summit in July, the Japanese Government pledged cooperation with the U.S. Government's "East European strategy." This means that Japan, which had estranged relations with Eastern Europe in the past, will coordinate with the West's action on Eastern Europe.

Trying to be different, some reporters exhorted the West not to use aggressive military terms in dealing with the East. Instead, it should use ideological terminology because this is naturally more pleasant to the ear.

A noted U.S. political and diplomatic expert offered his advice, saying that we should "favor the setting up of a joint financial group among Japan, the United States,

and Western Europe to assess the crises to be confronted by the Eastern society in the near term" and "define how to cooperate in promoting peaceful evolution."

True, these are all aimed at "peaceful evolution." "Peaceful evolution" is something John Foster Dulles had yearned for since the 1950's. "Conquering without battle" has always been the highest level that strategists have tried to reach. In implementing a "containment policy," Dulles never refrained from engaging in "peaceful evolution"; by the same token, the strategy of "beyond containment" proposed now does not completely discard "containment."

"Beyond containment" runs parallel with arms development. However, both the United States and the Soviet Union will not give up the banner of detente and they will probably create a certain atmosphere. Don't you see that the nuclear disarmament talks, preparations for the summit, exchanges, and cooperation are still going on or being stepped up? The detente situation will still be maintained for a long time to come despite the fact that stormy weather will be brewing in places not easily detected by people. Don't you see the competition to develop stealth bombers, military satellites, Stars War, and all kinds of sophisticated weapons?

The strategy of "beyond containment" is bound to meet with difficulties in its implementation. It will not be smooth sailing. The limited national strength and straitened financial circumstances on the part of the United States and the differences in the West will pose obstacles which are difficult to remove. More importantly, the Soviet Union and Eastern Europe are unlikely to let the United States go "beyond" them without limits. In fact, they have made criticisms and refutations. The struggle between the two systems and two ideological systems will stand out. While there is detente, conflicts and turmoils can hardly be completely removed and prevented.

Ah! What we face will still be a human and corrupted world filled with contradictions and in great turmoil!

#### UN Representative Addresses Refugee Issue

OW1711024289 Beijing XINHUA in English  
0139 GMT 17 Nov 89

[By Su Yuanchun]

[Text] United Nations, November 16 (XINHUA)—The principal cause for the present refugee problems in the world "remains colonialism, racism, and foreign aggression and occupation," said a Chinese representative at a UN committee meeting today.

To support his argument, he listed a number of refugee problems such as the those in southern Africa, the Middle East, Kampuchea and Afghanistan.

Addressing the Third Committee of the ongoing UN General Assembly, which deals with social, humanitarian and cultural affairs, Ambassador Ding Yuanhong

pointed out that to eliminate the phenomenon of refugees, the international community must "see to it that racism, colonialism and aggression against other states be checked and that the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence, be observed in state-to-state relations."

"Such is the true respect for human rights which includes the right of the peoples to self-determination," he stressed, adding, "herein also lies the fundamental way out for the solution of the world's refugee problems."

At global scene, the world refugee situation has gone from bad to worse. The total number of refugees in the world has increased to 14 million. The office of the UN High Commissioner for Refugees, which is a special UN agency handling refugee affairs, is now beset with serious financial difficulties with a deficit forecasted at 40 million U.S. dollars by the end of the year.

Ambassador Ding noted that the overwhelming majority of the world's refugees live in developing countries and that without the efforts and contributions of such countries, the predicament of the refugees would be "unthinkable". Therefore, he emphasized the role of the UN development aid to the refugees in developing countries.

The Chinese delegate said that China has accepted and resettled close to 300 thousand refugees and he reiterated that the Chinese Government will, as always, strive to contribute its share to the final solution of the refugee problems together with the international community.

#### UNESCO Ends General Assembly Session

OW1711093389 Beijing XINHUA in English  
1641 GMT 16 Nov 89

[Text] Par.s, November 16 (XINHUA)—The United Nations Educational, Scientific, and Cultural Organization (UNESCO) will focus its work on illiteracy elimination, strengthening and developing Third World media, maintaining cultural characteristics of world nationalities and environmental protection in 1990 to 1995, the U.N. organ announced here today.

UNESCO ended its 25th General Assembly today after passing the 3rd medium-term program (1990-95) and the 1990-1991 budget of 380 million U.S. dollars.

Malaysian Education Minister, Anwar bin Ibrahim, chairman of the current assembly expressed satisfaction with the results of the assembly and said this would help UNESCO's future work.

Present at the month-long assembly are 160 UNESCO member nations, including China. The next assembly will meet in Paris in 1991.

#### United States & Canada

##### Radio Reports on Nixon Memo on U.S.-PRC Ties

OW1711043489 Shanghai Voice of Pujang in Mandarin  
to Taiwan 1000 GMT 16 Nov 89

[Text] According to a dispatch from a correspondent of this station in New York, former President Nixon, who recently returned to the United States after paying a visit to China, has recommended in his memorandum to the leaders of the two parties in the U.S. Congress that the United States resume contacts with high-ranking Chinese officials in order to facilitate the normalization of bilateral relations.

Nixon pointed out: Although U.S.-Soviet relations have improved, the United States still needs China's cooperation in many aspects in order to maintain its global interests.

Nixon said in the memorandum: Without cooperation from China, the United States cannot effectively pursue its policy on the prohibition of nuclear proliferation. By cooperating with China, the United States will be able to balance the expanding forces of Japan and other countries in East Asia, which is conducive to maintaining peace and stability in the Asian-Pacific region. The United States should not hand over the huge 1.1-billion-people market in Mainland China on a silver platter to Japan and Europe.

Nixon also predicted: China is bound to become a superpower in the future, and the United States should prepare itself against a potential superpower.

In the memorandum, Nixon also called on the Bush administration to lift its sanctions against China, to restore measures to assist American businessmen in investing in Mainland China, and to help China obtain loans from the World Bank and other international financial institutions.

Nixon hoped that the United States and China would act in the spirit of the 1972 Shanghai communique, and that both sides would take the initiative in ironing out their resentments.

He maintained: To do so, the first step to take would be to resume contacts between high-ranking officials of the two countries in order to eliminate differences.

Therefore, he recommended to President Bush that he first lift the ban on contacts between high-ranking American officials with their Chinese counterparts.

Nixon also said: A number of Chinese leaders have criticized the U.S. Congress, official news media, and the Voice of America, but no one has ever criticized President Bush himself. This shows that the Chinese still regard Bush as an old friend and respect him.

Nixon told congressional leaders that a deep impression left on him during his China visit was that the economic reform policy initiated by Deng Xiaoping would be continuously implemented.

U.S. diplomats believe that Nixon's purpose in submitting this report to Congress was to urge the executive and legislative branches of the United States to adopt a conciliatory policy toward China. If these two chambers accept Nixon's analysis of China policy and his recommendations, it is unlikely that Congress will resist when President Bush lifts the sanctions against China.

#### **State Councillor Li Guixian Meets Visitor**

*OW1611195889 Beijing XINHUA in English  
1133 GMT 16 Nov 89*

[Text] Beijing, November 16 (XINHUA)—Chinese State Councillor Li Guixian met with John W. Wright, chairman of the United States Wright Investors' Service, here this afternoon.

Wright is here for a two-week visit to China at the invitation of the Everbright Industrial Company. During his stay in China, Wright will discuss the issue of starting business in China with leading officials from the Bank of China and the Ministry of Finance.

#### **NPC Vice Chairman Rong Yiren Receives Group**

*OW1611134689 Beijing XINHUA in English  
0841 GMT 16 Nov 89*

[Text] Beijing, November 16 (XINHUA)—Vice-Chairman of the Standing Committee of the National People's Congress (NPC) Rong Yiren met a delegation from the Association of Collegiate Entrepreneurs (ACE) of the United States here today.

The vice-chairman briefed the visitors on China's current economic situation and answered their questions.

Led by ACE Executive Director Max Haynes, the delegation arrived in Beijing on November 14 for an eight-day visit to China at the invitation of the All-China Youth Federation.

#### **Petroleum Venture Officials Report Success**

*OW1711141989 Beijing XINHUA in English  
1118 GMT 16 Nov 89*

[Text] Shanghai, November 16 (XINHUA)—The Vetco Gray Petroleum Equipment, Shanghai, Company Ltd has only 50 employees, yet it has recorded 20 million yuan-worth of output value this year—400,000 yuan-worth per person.

Representatives of the U.S. parent company expressed satisfaction with the performance of the branch company in Shanghai, saying that it can be compared with any of its other branch companies.

Because of internationally standardized production and transfer of advanced technology and patent technology from the Vetco Gray Corporation of the U.S., the quality of the products of the Shanghai company have improved steadily; now one fifth of its products are for export.

Its products have replaced imports and now are being used in drilling, prospecting and mining in areas like the Xinjiang Autonomous Region, and the Bohai and East China seas.

The company has received large orders for next year. The Xinjiang Autonomous Region alone has ordered 20 million yuan-worth of goods for next year.

The joint venture has been making profits since 1987 and has used them to expand production.

#### **Firm To Open Los Angeles Information Center**

*OW1711114089 Beijing XINHUA in English  
0703 GMT 16 Nov 89*

[Text] Beijing, November 16 (XINHUA)—The China Information Consultancy Corporation of Foreign Economic Relations and Trade will set up an information center in Los Angeles early next year.

The center will provide American clients with information on such matters as the feasibility of investment in China. It will concentrate mainly on medium-size and small businesses that are unable to establish their own representatives in China.

The center will help to find partners for American companies that want to run joint ventures in China. It will also provide advice on China's economic and trade laws and regulations.

Another task for the center will be to investigate the financial situation of Chinese potential partners in joint ventures.

#### **Shenzhen Delivers Silk Flower Shipment**

*OW1611143089 Beijing XINHUA in English  
0720 GMT 16 Nov 89*

[Text] Shenzhen, November 16 (XINHUA)—About 30,000 dozen hand-made silk flowers worth 100,000 U.S. dollars are on their way to the United States under an agreement signed recently between the Shenzhen Yongsheng Silk Flower Factory and an American importer.

The agreement requires the Chinese company to supply 100,000 U.S. dollars worth of the flowers every month.

The flowers were designed by United States and Hong Kong experts. They are popular among American customers because of their good quality.

Silk flowers enjoy a good market in North America and Europe. They are considered as nice decorations and gifts.

China produces many other kinds of labor-intensive products, including redwood furniture, handicrafts, and pottery, that sell well in the United States.

**'Text' of Li Ruihuan Speech on Norman Bethune**

HK1611051989 Beijing RENMIN RIBAO in Chinese  
12 Nov 89 pp 1, 3.

["Comrade Li Ruihuan's Speech at a Rally in the Capital to Commemorate Internationalist Fighter Bethune (11 November 1989)"]

[Text] Comrades and friends:

It has been half a century since the death in China of Bethune, a great revolutionary humanitarian, internationalist, and communist fighter. Today's grand rally is to commemorate the 50th anniversary of Bethune's death. On behalf of the CPC Central Committee, the Chinese Communists, and the Chinese people, I fondly cherish the memory of Comrade Bethune. A delegation from Canada has come specially to attend this meeting. I would like to extend our welcome and regards to this delegation!

Half a century is only a twinkling of the eye in terms of human history. However, earthshaking changes have taken place in China. Bethune has always been living in our hearts in years of revolutionary wars or peaceful construction, and in years of triumph and progress or setbacks and difficulties. Thanks to the CPC's promotional efforts and the influence of Comrade Mao Zedong's famous work "In Memory of Norman Bethune," the spirit of Bethune has become an ideal personality, paragon, norm, and tradition in the CPC and among the Chinese people. In the course of revolution and construction in the history of China, numerous people with lofty ideals, revolutionary martyrs, combat heroes, and model workers made contributions to social progress and to the people's interests. Their hard work and death have moved and inspired their successors and have constituted a powerful spiritual strength. The spirit of Bethune has merged with such strength and has become a component part of the soul of the Chinese nation.

In the past 50 years, generation after generation of Chinese people have profoundly realized, from Comrade Mao Zedong's teachings and from Comrade Bethune's noble character, that the spirit of Bethune is the spirit of internationalism, communism, and selflessness. It is also what we often called the spirit of wholeheartedly serving the people, of hard work and plain living, and of selfless dedication.

Bethune was a member of Canada's Communist Party. To support the Chinese people in their just war to resist Japanese imperialists' aggression, he accepted the assignment of the Communist Party of Canada and that of the United States, gave up his prestigious job and comfortable living conditions, made light of thousands upon thousands of miles, came to the battlefields of the

liberated areas under the leadership of the CPC, and fought side by side with the Chinese people. He showed his unmeasured loyalty to the cause of proletarian internationalism and communism.

Under extremely difficult conditions and with simple and crude equipment, Bethune saved the lives of large numbers of wounded and sick soldiers and people who resisted Japanese aggression. He infused his own blood into his patients without hesitation as required. He showed extreme warmheartedness toward the people.

While giving an operation to his patient during a counter 'mopping-up' operation on the Shanxi-Qahar-Hebei front, Bethune cut his finger, and the cut was infected with disease-carrying germs leading to septicemia. At the last moment of his life, he still felt "very happy," and he only regretted that he was "unable to see the birth of New China himself." He offered his precious life to usher in New China!

If a nation, political party, or individual wants to stand up and make some achievements, some spirit and aspirations are indispensable. A nation will be hopeless if it does not encourage its citizens to foster a spirit of dedication. A political party will lose its popular support if it does not encourage its members to foster a spirit of dedication. An individual will also lose the value of life if he only takes and does not give.

At present, our country is still quite backward economically and culturally. It has a large population but very limited natural resources. The international climate for competition is also very grim. The gap between China and the developed countries in terms of economy and technology has exerted a great pressure on us. Class struggle will continue to exist for a long time within a certain scope because of international and domestic reasons. This is the basic state of affairs in our country. This has decided the fact that, at present and for decades to come, we must maintain the kind of revolutionary fervor and the spirit of hard work and plain living and of selfless dedication which we displayed in the period of revolutionary wars and the period in which we pioneered our cause. We must also carry forward this spirit to meet the needs and situation of the new period.

Since the 3d Plenary Session of the 11th CPC Central Committee and with our efforts to set things to their proper order, we have criticized and corrected the erroneous practices of "take class struggle as the key link" adopted during the "cultural revolution." We have also overcome the harmful style of "falsehood, large scale, and emptiness" in ideological and propaganda work. This is entirely necessary. We should never repeat such mistakes in the future. The line adopted at the 3d Plenary Session of the 11th CPC Central Committee is "one center, two basic points," and to strengthen the building the socialist spiritual civilization while strengthening the building of the material civilization. Comrade Deng Xiaoping has repeatedly stressed that to step up

our efforts in developing the spiritual civilization constitutes one of the basic guarantees for concentrating our strength on carrying out socialist modernization. The CPC Central Committee has also adopted a special "Resolution Regarding the Guiding Principle for the Building of the Socialist Spiritual Civilization." All this, of course, is entirely correct. However, there is no need to be reluctant to say that due to errors made by the leadership in recent years, this resolution has not been persistently implemented. There has been a decline in efforts to build the spiritual civilization, and a chaotic situation prevails in the concept of value.

Some people talk less about ideals but more about private interests, less about collective interests but more about individual ones, less about overall interests but more about local ones, and less about displaying a pioneering spirit but more about how to enjoy life. In short, they talk less about dedication and more about benefits. Of the two basic points "adhering to the four cardinal principles" and "upholding reform and opening to the outside world," the former was neglected while the latter was stressed and the former was regarded as a flexible task while the latter a well-defined one. All of us have bitterly felt the evil consequences of such a situation. Whether or not we can make unremitting efforts to build the spiritual civilization, gradually create public opinion, a concept of value, cultural conditions, and social environment conducive to socialist modernization and to reform and opening to the outside world, effectively resist the ideological influence of foreign reactionary forces, oppose ideas of bourgeois liberalization and decadent ideas of feudalism, and whip up tremendous enthusiasm and the creative spirit of the people of all nationalities is a test of historic significance before the whole party.

When we talk about the spirit of selfless dedication, naturally we do not mean to change various basic economic policies for the current stage. At present, we are still in the initial stage of socialism. Our line, policies, and ideological and political work must be based on and proceed from this reality. Economically, we should not only implement the principles of to each according to his work and of material interests and develop a planned commodity economy, but we also should develop various economic sectors with public ownership as the dominant factor and encourage, while endeavoring to attain the goal of common prosperity, a segment of the population to become well off first through diligent labor and legitimate businesses. Without implementing these policies, it will be impossible to arouse and utilize all positive factors to develop the productive forces on a realistic basis. However, concerning the concept of value and ethics, we should always regard the spirit of selfless dedication as noble and glorious. At the same time, we should, in line with the principle of encouraging the advanced and making allowances for the majority, combine the requirements for the advanced with those for the ordinary so as to unite and help people with varying degrees of awareness to march forward together while

continuing to implement various basic policies for the current stage in the economic life.

The spirit of selfless dedication is, first and foremost, a requirement for Communist Party members, especially those who are leading cadres. Comrade Deng Xiaoping said a few years ago: "The further the party and government conduct various economic reforms and implement the policy of opening to the outside world, the greater efforts are required of party members, especially senior leading cadres of the party, to pay attention to and practice communist ideology and ethics. Otherwise, if we are spiritually disarmed, how are we going to teach the young people and lead the country and the people in building socialism!"

Communist Party members, especially those who are leading cadres, are required to carry forward the spirit of selfless dedication and the spirit of wholeheartedly serving the people. This is determined by the nature of our party, its philosophy, and its basic viewpoint that the people are the masters of history, wherein lies our conviction, pursuit, motivating force, wisdom, political advantage, and spiritual power. Wholeheartedly serving the people is our party's cardinal goal and the basic way for winning trust and support of the masses. Party members who are leading cadres must win the trust of the masses before they can exercise genuine leadership. Such trust can only be won by performing concrete service for the people truthfully, persistently, and with all one's heart and might; there is no other way. Such trust can only be gradually fostered in the course of doing everything for the people and relying on the people for everything. Regardless of whatever changes in situation and tasks, in policies and structure, and in the contents, focuses, methods, and conditions of work, the Communist Party's goal of wholeheartedly serving the people, the principle of performing concrete service for the people, and the mass line of doing everything for the people and relying on the people for everything should never be changed. When a change is made in this respect, our party will be divorced from the people and will lose its strength. This is indeed a major issue having a bearing on the life and death of our party, and has been repeatedly borne out by victories and setbacks, and positive and negative experiences, in the past 68 years since the party's founding and the 4 decades since the founding of the country. The involvement of so many people in the recent storm has been caused by class struggle, which merits due vigilance, and also caused by problems existing in the party's ties with the masses and by public resentment of bureaucratism and corruption among some people in party and state organs. These problems serve as food for serious thought. Comrade Deng Xiaoping, in several speeches made before and after the quelling of the counterrevolutionary rebellion, repeatedly stressed the necessity of earnestly performing a few tasks to the satisfaction of the people in the course of eliminating corruption. We should thoroughly comprehend the profound implication of his remarks and ensure a good job in performing these tasks.

Comrades and friends! The recent 5th Plenary Session of the 13th CPC Central Committee adopted a decision to further improve the economic environment and rectify the economic order and to deepen the reform. The situation is good and the tasks are arduous. There are still many difficulties in which we must make great efforts to overcome. Overcoming these difficulties depends on scientific analyses of the situation, scientific summing-up of experience, and scientific policy-decisions for action. It also depends on unity, discipline, and the spirit of hard work and plain living, selfless dedication, and wholeheartedly serving the people. The mental state of party members is of decisive importance to the mental attitude of the whole society and nation. Austerity for the next few years should begin with party members, senior cadres, and the central authorities. The Communist Party should struggle, and arduous struggle is our true political feature.

So long as the whole party is closely united under the leadership of the party Central Committee with Comrade Jiang Zemin at the core, is of one heart and one mind, and heightens its spirit, we can definitely unite the people, rely on them to overcome difficulties, and push our cause ahead step by step.

Thank you all.

### Northeast Asia

#### Golf Shooting Incident Termed Accidental

OW1611195789 Beijing XINHUA in English  
1147 GMT 16 Nov 89

[Text] Beijing, November 16 (XINHUA)—The Beijing public security bureau confirmed here today that the weekend shooting incident at a golf course in Shunyi County on the outskirts of the capital was an accident and not a deliberate attack on the Japanese playing there.

A spokesman for the bureau said that at about 11:00 a.m. on November 12 several stray bullets flew into the lakes of the 9th and 18th holes. They came from a shooting range south of the golf course, where a small Army group was calibrating rifles and practising shooting.

Investigations showed that the incident had nothing to do with the Japanese on the course.

"The accident has caused great concern of relevant departments and the Beijing municipal government has ordered that immediate steps be taken to remove the hidden danger," the spokesman said.

#### Tianjin Official Meets DPRK Cultural Delegation

SK1711111189 Tianjin TIANJIN RIBAO in Chinese  
1 Nov 89 p 4

[Text] The delegation of the Committee for Cultural Relations with Foreign Countries of the DPRK, led by Yi Mong-ho, chairman of the Committee for Cultural

Relations With Foreign Countries of the DPRK, arrived in Tianjin for a visit yesterday.

That evening, Vice Municipal Mayor Qian Qiao met with Yi Mong-ho and his entourage at Yingbin Hotel. Both the host and the guests held cordial and friendly talks.

Xie Guoxiang, director of the Propaganda Department of the municipal party committee, and responsible persons of departments concerned were also present at the meeting.

Yesterday, the Korean guests visited the Old Cultural Street, the Youth Palace in Hexi District, the Yangliuqing Painting Studio, and the Zhang's Clay Figurine Studio. The delegation will continue its visit and leave Tianjin today after ending all the visiting activities.

#### Flagstone Sale Agreement Signed With Mongolia

OW1611141389 Beijing XINHUA in English  
0736 GMT 16 Nov 89

[Text] Beijing, November 15 (XINHUA)—Agreements have been signed earlier between China and Mongolia on China's export of flagstone to Mongolia, according to trade sources here today.

According to the China National Building Materials and Equipment Import and Export Corporation, the first batch of 7,710 square meters of red granite flagstone is to be provided by the Rongcheng Granite Processing Plant, east China's Shandong Province.

It is said that the slabstone will be used to build the Genghis Khan Hotel in Mongolia, and the second batch totalling 1,000 square meters of white and black granite slabs will be used to refurbish the Mongolian Government Hall.

### Near East & South Asia

#### Further on Li Peng's Visit to Asian Neighbors

##### Interview by Pakistani Television

HK1711100689 Beijing RENMIN RIBAO in Chinese  
16 Nov 89 p 4

[Report by Ren Yujun (0117 3022 7486) and Shi Zongxing (0670 1350 2502): "In an Interview With Pakistani Television, Li Peng Stressed That China Needs a Peaceful International Environment"]

[Text] Islamabad, 15 Nov (RENMIN RIBAO)—In an interview on Pakistani Television at 1600 this afternoon, Premier Li Peng spoke highly of the friendship between China and Pakistan. He also spoke about Sino-Indian and Sino-Soviet relations and about China's foreign policy.

Premier Li Peng first said: I am very happy to meet with the Pakistani people and extend good wishes to them

through this broadcast by Pakistani Television. The friendly relations between China and Pakistan are very close and have stood the test of history. This friendship is built on the basis of the Five Principles of Peaceful Coexistence between countries. The people of the two countries have always supported and maintained friendly contacts with each other. We attached great importance to Prime Minister Benazir Bhutto's friendly visit to China last February. The visit showed that Prime Minister Benazir Bhutto attached great importance to Sino-Pakistani friendship. This is my first friendly visit to the Islamic Republic of Pakistan and I am deeply moved by the warm welcome accorded by the Pakistani Government and people. I have held two rounds of talks with Prime Minister Benazir Bhutto and both have been very successful. This indicates that the new generation of leaders of our two countries are determined to pass on the torch of Sino-Pakistani friendship from generation to generation. Not long ago, Pakistan's foreign secretary visited China at a time when China was in a difficult period. He brought with him the understanding and support of the Pakistani people to the Chinese people. Such friendship in times of difficulty is very important and powerful.

Touching on Sino-Indian relations, Premier Li Peng said: In the same way, we also have positive feelings about Premier Rajiv Gandhi's successful visit to China last year. The visit improved Sino-Indian relations and was in tune with the times. The prolonged period of tension between China and India was mainly due to the border issue, which has been left over from history. We are willing to solve this issue through friendly consultations on the basis of the five principles of peaceful coexistence. These principles were jointly initiated by two outstanding leaders of China and India.

Improvement of Sino-Indian relations is by no means directed against any other country in South Asia. On the contrary, it will promote peace and stability in this region.

When a reporter asked about the effect of the improvement in Sino-Soviet relations on Sino-Pakistani and Sino-Indian relations, Li Peng answered: If there has been any effect at all, it can only be a favorable one. China and the Soviet Union are neighboring countries sharing a common border of 7,000 km. The prolonged state of abnormal relations also resulted from historical and practical factors. China needs a stable and peaceful international environment to accomplish the four modernizations. Therefore, China pursues an independent and peaceful foreign policy. China will not attach herself to any block in the world. China will determine its own policies based on the merits of world events.

#### Excerpts of TV Interview

BK1611125389 Islamabad Domestic Service  
in English 1530 GMT 15 Nov 89

[Interview with PRC Prime Minister Li Peng by unidentified correspondent of Pakistan Television Corporation;

Recorded—date and place not given, Li Peng's Answers in Mandarin fading into English Translation]

[Excerpts] [Correspondent] Your Excellency. Permit me, first of all, on behalf of Pakistan Television and the people of this country to extend a very warm welcome to you as a friend of Pakistan and as the prime minister of the brotherly country of China.

[Li Peng] It gives me great pleasure today to have this opportunity of visiting the Islamic Republic of Pakistan. First of all, please allow me through TV to extend the best wishes and warm greetings from the government and people of China to the broad masses of the people of Pakistan. [passage omitted]

[Correspondent] Your Excellency. What dimension of the Sino-Pakistan relationship do you regard as specially important?

[Li Peng] You have really posed a very difficult question for me to answer because I believe that our relations in all aspects are both necessary and important. There is official cooperation—good cooperation—between China and Pakistan in all fields, including the political, economic, cultural, educational, and other fields including tourism and defense. China and Pakistan share similar or even identical views in dealing with many other international issues. In economic affairs, our friends from Pakistan often refer to the aid that China has provided for Pakistan. But, frankly speaking, I think such Chinese assistance is inadequate and also limited in (number), and I believe that the progress and prosperity achieved by Pakistan is mainly the result of the efforts made by the Pakistani people themselves. And, also the defense cooperation between China and Pakistan is entirely defensive in nature and is not directed against any other third country. Naturally, among all the fields of cooperation, our political and economic cooperation, I think, stands out as the area in which we have the greatest number of projects and where our field of cooperation is the broadest. And I hope to see the further development of this kind of friendly cooperation. [passage omitted]

#### Li Comments on Arms Sale

OW1611144689 Beijing Domestic Service in Mandarin  
1030 GMT 16 Nov 89

[Report by station reporter Liu Zhenying on a press conference given by Premier Li Peng in Islamabad on the morning of 16 November—recorded; from the "National Hookup" program]

[Excerpts] [Liu Zhenying] Dear listeners: Premier Li Peng, who has been visiting Pakistan, gave a press conference in Rawalpindi on 16 November. During the press conference, which lasted for more than 40 minutes, he answered questions from more than 10 reporters. Li Peng opened the press conference by making the following remarks:

[Li Peng] I am delighted to meet you all. I am visiting Pakistan at the invitation of Prime Minister Benazir Bhutto. We have received a warm and friendly welcome upon our arrival, reflecting the deep friendship between the two countries and their people. We have held two rounds of talks with Prime Minister Benazir Bhutto and met with President Ishaq Khan last night. I view my visit as successful so far. Now, I am ready to take up questions from you.

[Liu] A reporter of Pakistan's JANG asked about the Chinese Government's views on the disputed Siachen Glacier and Kashmir area between India and Pakistan.

[Li Peng] China has always maintained that the disputes between Pakistan and India should be resolved on the basis of the Five Principles of Peaceful Coexistence and through friendly consultations. We believe that it is legitimate for Pakistan to take any active defensive measure to safeguard its territorial security. [passage omitted]

[Liu] An Indian reporter asked whether it were possible that China and Pakistan would reach an agreement on defense affairs. Premier Li Peng answered this question as follows:

[Li Peng] China has not concluded any agreement with Pakistan on matters pertaining to defense. China sold military equipment to Pakistan. This is a fact known to you all. I am convinced that those weapons sold to Pakistan by China can be obtained by Pakistan from any other country in the world which can produce such weapons, if Pakistan does not obtain them from China. Moreover, I am deeply convinced that, to Pakistan, this equipment is of a defensive nature.

Following the press conference, Premier Li Peng went to the summit of (Shatpalian) Mountain to plant a tree of friendship at (Palian) Park. He also wrote inscriptions for the park. Premier Li Peng wrote the following: It is hoped that the tree of China-Pakistan friendship will grow in strength.

#### Li Meets Embassy Personnel

OW1611153089 Beijing XINHUA Domestic Service  
in Chinese 1230 GMT 16 Nov 89

[Text] Islamabad, 16 Nov (XINHUA)—Visiting Chinese Premier Li Peng came to the Chinese Embassy here this morning to visit the embassy staff as well as representatives of Chinese experts, students, and personnel of other Chinese agencies in Pakistan.

Premier Li Peng explained to them the situation at home and the international situation.

Premier Li said that Pakistan is China's friendly neighbor and that Sino-Pakistani friendship keeps developing. He urged all Chinese personnel in Pakistan to unite as one and continue to work hard to develop Sino-Pakistani friendship.

#### More on Nusrat Bhutto Meeting

OW1711101609 Beijing XINHUA Domestic Service  
in Chinese 0227 GMT 17 Nov 89

[By reporter Chen Jiabao (7115 1367 0202)]

[Text] Islamabad, 16 Nov (XINHUA)—Premier Li Peng said here this evening that the warm welcome and hospitality given him and his entourage by the Pakistani Government and people have made deep impression on him, adding that his first visit to Pakistan has been very successful.

Li Peng made the above remark at a dinner held for him and his wife Zhu Lin by Mrs Nusrat Bhutto, senior Pakistani minister without portfolio.

Mrs Nusrat Bhutto is the mother of Prime Minister Benazir Bhutto.

Nusrat Bhutto said: The close relations between Pakistan and China date back to mid-1960's. Generally speaking, 2 or 3 decades were of little importance in the long process of history, but these particular 2 or 3 decades were a crucial period for the development of Sino-Pakistani friendship, which may be rated as a model friendship.

She touched on the contributions to the Pakistani-Chinese friendship made by her husband, Mr Ali Bhutto, the late and former prime minister of Pakistan, and by Zhou Enlai, a Chinese leader of the old generation. Pakistan will not forget the support that China has given it in the struggle to safeguard its state sovereignty and territorial integrity, she said.

Nusrat Bhutto said that Premier Li Peng's current visit has made quite valuable contributions to Sino-Pakistani friendship.

She said: The decisions reached by the Chinese and Pakistani leaders over the past 2 or 3 days will yield rich results. The friendship tree planted by Premier Li Peng today in the (Xia-ke-pa-li-yang) Mountain Top Park is sure to bloom and bear fruits just as the one planted by Premier Zhou Enlai 25 years ago.

In his speech, Li Peng praised the Sino-Pakistani friendship cultivated by the leaders of the old generation of the two countries. In particular, he mentioned the significant contributions to Sino-Pakistani friendship made by Mr Ali Bhutto and Premier Zhou Enlai.

Li Peng said: Premier Zhou Enlai attached special importance to Sino-Pakistani friendship and made several visits to Pakistan. The friendship tree he planted is now growing luxuriantly.

He said that Prime Minister Benazir Bhutto is making continued efforts to develop Sino-Pakistani friendship and cooperative relations so as to carry on her father's will. He expressed delight and appreciation for this.

The speeches made by Nusrat Bhutto and Li Peng won warm applause.

Pakistani Foreign Minister Yaqub Khan and other senior officials of Pakistan attended the dinner.

Also present at the dinner as guests were Qian Qichen, Chinese minister of foreign affairs; Zheng Tuobin, Chinese minister of foreign economic relations and trade; and He Qizhong, deputy chief of General Staff of the Chinese People's Liberation Army.

This afternoon Li Peng and his wife Zhu Lin made a tour of downtown Rawalpindi.

### Li's Visit Praised

OW1711112589 Beijing XINHUA in English  
1036 GMT 17 Nov 89

[Text] Islamabad, November 17 (XINHUA)—Chinese Premier Li Peng's visit to Pakistan was valued highly here today by the Pakistan press.

The English paper the PAKISTAN TIMES in an editorial today said Li Peng's visit to Pakistan has deepened the friendship between the two countries.

The visit has been particularly fruitful in its contribution to the economic ties as four new agreements were signed between the two sides, the editorial said.

It noted that there is no sounder guarantee of good relations between the two countries than what China and Pakistan have done in seeking ever new forms of mutual cooperation.

"The purpose of the Chinese premier's visit obviously goes much beyond the signing of agreements and expression of sentiments of solidarity. Numerous international developments of interest to the two countries have taken place since Prime Minister Benazir Bhutto's visit to China and exchange of views on them had become necessary," it said.

The paper said that among these developments is the cooling of relations between China and the United States after what happened in June at the Tiananmen Square in Beijing. And Pakistan being on excellent terms with both of the countries could on its own, help in promoting better understanding between them.

Meanwhile the paper THE MUSLIM carried an editorial saying that the Chinese premier's visit "has once again underscored the importance which both China and Pakistan continue to attach to their relationship of trust and mutually beneficial cooperation which is a factor of peace and stability in the region."

### Nepal Spokesman on Coming Visit

OW1611164389 Beijing XINHUA in English  
1550 GMT 16 Nov 89

[Text] Kathmandu, November 16 (XINHUA)—Nepal considers Chinese Premier Li Peng's coming visit an

important event in the annals of Nepal-China relations, Nepalese Government chief spokesman told reporters this afternoon.

Li Peng will pay a three-day official goodwill visit to the Kingdom of Nepal from November 19 at the invitation of Prime Minister Man Mohan Singh Shrestha.

The spokesman said, "We believe that the visit will further friendship, understanding and cooperation between Nepal and China."

"It is our hope and confidence that the Chinese premier's visit will not only reinforce the bilateral relations but also help improve the regional atmosphere of peace and cooperation.

"There can be no doubt that Nepal-China relations being based on the Five Principles of Peaceful Co-existence are conducive and contributory to the cause of peace and stability in the region and the world at large," he added.

As a close neighbor and friend of China, he said, Nepal is eager to extend a cordial reception to Premier Li Peng.

He said that Prime Minister Shrestha will have friendly talks with the Chinese premier on bilateral relations as well as regional and international issues of mutual interest.

### Li Leaves for Bangladesh

OW1711084989 Beijing XINHUA in English  
0821 GMT 17 Nov 89

[Text] Islamabad, November 17 (XINHUA)—Chinese Premier Li Peng left here this morning for Bangladesh to continue his South Asia tour after a four-day official goodwill visit to Pakistan.

Pakistan is the first leg of his three South Asian-nation tour which will also take him to Nepal after Bangladesh.

The Chinese premier was given a major send-off at the Islamabad International Airport, where a band played the national anthems of China and Pakistan.

Accompanied by Pakistan Prime Minister Benazir Bhutto, Li reviewed a guard of honor of Pakistan's three military branches.

Two Pakistan children in national costume presented bouquets to the departing premier and his wife, Zhu Lin.

A 19-gun [words indistinct] when he stepped onto the ramp leading to his special plane after bidding farewell to Pakistan's top government and military officials and foreign envoys based in Islamabad.

The visit to Pakistan is Li's first abroad since China's quelling of the counter-revolutionary rebellion in Beijing in June. It is a great success and has further strengthened the existing friendship between the two close neighbors, according to reports here.

The two sides not only reached identical or close views on all important international issues in two rounds of talks, but also signed four cooperation agreements on the economy, trade, and nuclear energy.

Both sides have expressed the desire to further promote the Sino-Pak [as received] friendship and cooperation and work to enhance peace and stability in the region and the world.

### Li Arrives in Bangladesh

OW1711115689 Beijing XINHUA in English  
1109 GMT 17 Nov 89

[Text] Dhaka, November 17 (XINHUA)—Chinese Premier Li Peng was accorded a grand welcome when he arrived here this afternoon on a three-day official goodwill visit to Bangladesh at the invitation of President Hussain Muhammad Ershad.

The Chinese premier is making his first visit to Bangladesh to further enhance the existing friendly relations and cooperation between the two countries.

Premier Li's special plane was escorted by four fighters to the capital's Zia International Airport from Bangladesh's border. A 19-gun salute boomed in the air heralding the arrival of the Chinese premier.

As soon as Li and his wife Zhu Lin alighted from the special plane, they were warmly greeted by President Ershad and his wife Begum Roushan Ershad.

Dressed in national costume, two Bangladeshi children presented blossom bouquets to Premier Li and his wife.

Accompanied by President Ershad, Premier Li reviewed guard of honour of three services while the national themes of the two countries were played.

The airport wore a festive look with thousands of school children waving miniature flags of the two countries and colourful streamers and girls dancing to the beat of drums.

Bangladesh Vice President Moudud Ahmed, Prime Minister Kazi Zafar Ahmed, cabinet ministers, chiefs of three services, and heads of diplomatic missions in Dhaka were present at the airport to welcome the Chinese premier. Chinese Ambassador Chen Songlu, all Chinese diplomats and representatives of students and experts were also present on the occasion. Accompanied by President Ershad, Premier Li drove in a ceremonial motorcade to the state guest house Karatoa (char) where he will be staying during the visit.

The 12-kilometer-long route from the airport to the state guest house was decorated with ceremonial arches, national flags of the two countries, festoons, banners, and billboards inscribed with welcome slogans reading "Long Live Bangladesh-China Friendship" and "Welcome Chinese Premier Li Peng and Madame Zhu Lin".

King size portraits of Premier Li and President Ershad were also hung at major junctions in the capital city.

Tens of thousands of people from various walks of life stood in line along the route and greeted Chinese guests by waving miniature flags and streamers, beating drums, and shouting welcoming slogans.

Premier Li, who is accompanied by Foreign Minister Qian Qichen, Minister of Foreign Economic Relations and Trade Zheng Tuobin, and Deputy Chief of General Staff He Qizong, is expected to have official talks on bilateral and international issues with President Ershad tomorrow.

In a written statement released at the airport, Li Peng said that "further enhancement of these friendly relations and cooperation is the common aspiration of the peoples of our two countries. It is precisely for the purpose of strengthening friendship, deepening understanding, and expanding cooperation between us that I have come for this visit." After Pakistan, Bangladesh is the second leg of Premier Li's three South Asian-nation tour which will also take him to Nepal.

### Li Honors Bangladesh Martyrs

OW1711133889 Beijing XINHUA in English  
1315 GMT 17 Nov 89

[Text] Dhaka, November 17 (XINHUA)—Visiting Chinese Premier Li Peng today laid a wreath at Bangladesh's national monument to the martyrs at Savar, about 30 kilometers west of Dhaka. In beautiful natural surroundings, the monument, seven walls of triangles from three sides mingling together and rising gradually to a height of 45 meters, is erected in 1982 in memory of those who laid down their lives for the country's independence in 1971.

After the wreath-laying ceremony, Premier Li signed the visitors book.

Accompanied by Bangladeshi Minister for Education Sheikh Shahidul Islam, Premier Li also planted a tree at the site of national memorial, symbolizing Sino-Bangladesh friendship.

This is a second tree planted by Chinese leaders at the national memorial complex. The first was planted by former President Li Xiannian during his visit in 1986.

### Zou Jiahua Meets Bangladesh Delegation

OW1411142089 Beijing XINHUA in English  
1300 GMT 14 Nov 89

[Text] Beijing, November 14 (XINHUA)—Zou Jiahua, state councillor and minister of machine-building and electronics industry, met here today with a Bangladesh Government delegation headed by Ziauddin Ahmed, minister of energy and mineral resources.

The Bangladesh delegation has been here to hold discussions on bilateral economic cooperation.

**Guangdong To Exhibit Products at Indian Fair***OW0811092689 Beijing XINHUA in English  
0637 GMT 8 Nov 89*

[Text] Guangzhou, November 8 (XINHUA)—Nine businesses from southern China's Guangdong Province will exhibit more than 2,500 products at an international trade fair to be held in New Delhi, India, from November 14 to 29.

Foreign trade and investment have been developing rapidly in the province over the past few years. Total foreign investment amounts to 7.929 billion U.S. dollars, which is equal to 50 percent of that of the whole country, and the province is trading with 156 countries and regions.

**Egyptian Writer's Birthday Celebrated in Beijing***OW1411121389 Beijing XINHUA in English  
1033 GMT 14 Nov 89*

[Text] Beijing, November 14 (XINHUA)—The centennial birthday of the well-known Egyptian writer Taha Husayn was marked at a public lecture here today, which was sponsored by the Chinese People's Association for Friendship With Foreign Countries and China Society of Foreign Literature Institute of Arabian Literature.

Husayn, a well-known Egyptian writer and literary and art critic, held a prominent position in the history of modern Arabian literature, with his works having been translated into many languages including Chinese.

In his speech at the lecture, Secretary-General of the Institute of Arabian Literature Yi Hong expressed the hope to further promote nongovernmental contacts between China and Arabian countries.

Egyptian Ambassador to China Badr Hammam also made a speech at the lecture, briefing the audience on Husayn's career and his contributions to the Arabian literature.

Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries, was present on the occasion along with diplomatic envoys of other Arabian countries to China.

**Reception Marks 'State of Palestine' Anniversary***OW1511133589 Beijing XINHUA in English  
1202 GMT 15 Nov 89*

[Text] Beijing, November 15 (XINHUA)—Yusuf Rajab, ambassador of the state of Palestine to China, gave a reception here today to mark the first anniversary of proclamation of the establishment of the state of Palestine and the 25th anniversary of the Palestinian revolution.

State Councillor Chen Junsheng, Minister of Aerospace Industry Ling Zongtang and other Chinese officials as well as foreign diplomats attended the reception.

**Government Presents School to Palestine Children***OW1611035289 Beijing XINHUA in English  
0121 GMT 16 Nov 89*

[By Chen Ruwei]

[Text] Amman, November 15 (XINHUA)—The Chinese Government today presented Modern School as a gift to Palestinian refugee boys in Baqa'a Camp [place-name as received], about 20 kilometers north of Amman.

The inauguration ceremony was attended by Huang Guoquan, Chinese charge d'affaires in Jordan, Alie Sav [name as received], director of UNRWA (United Nations Relief and Works Agency for Palestine Refugees in the Near East) and Ahmad Qatamani [name as received], head of the Palestinian Refugee Affairs Department in the Jordanian Foreign Ministry, as well as hundreds of Palestinian boys and girls in their school uniform.

"The quality of the school is the best in Baqa'a Camp, or even the best in such camps in the Middle East," Dennis Brown, deputy director of UNRWA, told XINHUA.

The 850,000-dollar school consists of 22 classrooms, three administrative offices, one library, one laboratory and one multi-purpose room all equipped with furniture.

Some 2,200 refugee boys from the camp, which accommodates some 70,000 Palestinian refugees, are studying in the school under the guidance of 52 teachers. Half of the pupils have their classes in the morning and the rest in the afternoon.

The construction work, scheduled to take about 18 months, was completed six months and 10 days ahead of time.

UNRWA Operates 196 schools in Jordan providing general education for 137,000 refugee children taught by an education staff of 3500.

**Sub-Saharan Africa****Text of Jiang, Yang Note to SWAPO's Nujoma***OW1611183889 Beijing XINHUA Domestic Service  
in Chinese 1119 GMT 16 Nov 89*

[Text] Beijing, 16 Nov (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, and President Yang Shangkun today jointly sent a message to Sam Nujoma, president of the South West African People's Organization [SWAPO], congratulating him for the majority of votes that SWAPO won in the Namibian Constituent Assembly elections. The full text of the greeting message follows:

Windhoek

Your Excellency Sam Nujoma, president of the South West African People's Organization:

We are pleased to learn that SWAPO, under your leadership, won the majority of seats in the Namibian Constituent Assembly. On behalf of the Chinese Communist Party, the Chinese Government, and the Chinese people, we wish to extend our warmest congratulations to you, SWAPO, and the Namibian people at this historic moment.

SWAPO led the Namibian people to wage a protracted and arduous struggle against South Africa's colonialism and racism and it won the support of African states and the respect of the international community. The victory of SWAPO in the Constituent Assembly elections is the result of the Namibian people's protracted and heroic struggle and a major victory for Africa as a whole. We believe that SWAPO, under your leadership, can certainly rally all the patriotic forces in Namibia and count on all the Namibian people to achieve national independence as scheduled.

The Chinese people and Namibian people forged a profound friendship during their common struggles against colonialism and racism. We are deeply convinced that when the sun of independence illuminates the great land of Namibia, which has experienced many vicissitudes of life, the friendly relations between the Chinese and Namibian peoples certainly will fully develop on a new basis. [Signed] Jiang Zemin, general secretary of the CPC Central Committee

Yang Shangkun, president of the People's Republic of China [Dated] Beijing, 16 November 1989

#### Li Tieying Delegation Arrives in Chad

OW1611134989 Beijing XINHUA in English  
0734 GMT 16 Nov 89

[Text] N'djamena, November 15 (XINHUA)—Chinese State Councillor Li Tieying pledged today to further enhance and develop Sino-Chadian cooperation in a spirit of equality, mutual benefit and common development.

In a written statement issued on his arrival this afternoon for a four-day visit to Chad, Li hailed the friendly relations and cooperation the two governments and peoples have developed in recent years.

Li, China's education minister, is heading a government delegation that is scheduled to meet Chadian Government leaders and visit several industrial and agricultural departments.

#### Cameroonian Armed Forces Delegation Visits

OW1611225589 Beijing XINHUA in English  
1206 GMT 16 Nov 89

[Text] Beijing, November 16 (XINHUA)—Chi Haotian, chief of General Staff of the Chinese People's Liberation Army, hosted a dinner for a delegation of the Cameroonian Armed Forces led by chief of General Staff Major General Pierre Semengue here this evening.

This afternoon Chi Haotian hosted a welcoming ceremony for the delegation, which arrived here yesterday.

#### Tan Shaowen Meets Angola Party School Visitors

SK1611055889 Tianjin TIANJIN RIBAO in Chinese  
27 Oct 89 p 1

[Text] On the evening of 26 October at a guesthouse, Tan Shaowen, secretary of the municipal party committee, met with the Angolan senior party school delegation, headed by (Zefeilino Aisitewang Ruliana), member of the Central Committee of the Popular Liberation Movement of Angola-Party of Labor and president of the party school; and warmly welcomed, on behalf of the Tianjin Municipal CPC Committee, the delegation.

Tan Shaowen said that their visit was of valuable significance in enhancing the understanding and friendship between the parties of the two countries and exchanging experiences in training cadres. (Ruliana) said: Our purpose to visit China is to learn from the CPC's experience in conducting education within the party. This is of benefit to us.

The delegation visited the party school under the municipal party committee and held talks with responsible people of relevant departments on 26 October.

#### East Europe

#### Qiao Shi Leaves To Visit Romania, Bulgaria

OW1711075489 Beijing XINHUA in English  
0733 GMT 17 Nov 9

[Text] Beijing, November 17 (XINHUA)—A Chinese Communist Party (CPC) delegation headed by Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee, left here this morning for Romania at the invitation of the Romanian Communist Party.

Qiao Shi, also a member of the Secretariat of the CPC Central Committee, and the delegation will attend the 14th Congress of the Romanian Communist Party which is scheduled to be held from November 20 to 25.

The delegation will also pay an official goodwill visit to Bulgaria at the invitation of the Central Committee of the Bulgarian Communist Party from November 27 to December 2.

Among those seeing the delegation off at the airport were Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the CPC Beijing Municipal Committee; Zhu Liang, member of the CPC Central Committee and head of the International Liaison Department of the CPC Central Committee; Chen Zuolin, deputy secretary of the CPC Central Commission for Discipline Inspection.

Romanian Ambassador to China Angelo Miculescu and Bulgarian Ambassador Philip Markov also went to the airport to see the delegation off.

#### **Romanian Journalists Delegation Visits Tianjin**

*SK1711110389 Tianjin TIANJIN RIBAO in Chinese  
25 Oct 89 p 2*

[Text] A few days ago, a Romanian journalists delegation which was composed of (Petre Kaimeiz), chief editor of Romanian Forum magazine, (Mihai Bozu), chief editor of Buzau County Journal on Daily Life, and Constanta Niculescu, chief editor of Women's Magazine came to Tianjin Municipality for visit.

Shi Jian, vice chairman of the municipal People's Congress Standing Committee, Lu Si, chairman of the Tianjin Municipal Journalist Association and chief editor of TIANJIN RIBAO, and responsible comrades concerned of the municipal Journalist Association, met with the delegation members, held cordial talks with them and introduced to them Tianjin's achievements in reform and opening up during the past decade.

During its stopover in Tianjin, the delegation visited the Cultural Street, the Nanshi Food Street, the Economic and Technological Development Zone, the No 2 watch plant, and Daqiuzhuang in Jinghai County. After finishing today's visiting activities, the guests will leave Tianjin for other localities to continue its visit.

#### **Chi Haotian Attends GDR Artists' Performance**

*OW1611020989 Beijing XINHUA in English  
1601 GMT 15 Nov 89*

[Text] Beijing, November 15 (XINHUA)—A group of artists from "Erich-Weinert Ensemble" of the National People's Army of the German Democratic Republic (GDR) entertained some 1,500 officers and soldiers of the People's Liberation Army (PLA) of China here this evening.

On the program were folk songs, dances and instrumental music.

In the audience were Chi Haotian, chief of PLA General Staff, and Rolf Berthold, GDR ambassador to China.

The GDR artists are scheduled to leave for Shanghai Friday.

## Political & Social

### Liu Shuqing Leaves Vice Foreign Minister Post

OW1711153589 Tokyo KYODO in English 1415 GMT  
17 Nov 89

[Text] Beijing, Nov. 17 KYODO—Vice Foreign Minister Liu Shuqing has left the post, the official XINHUA NEWS AGENCY reported on Friday. A successor has not yet been named.

Liu had served as vice minister in charge of Asian affairs since September 1984. He had also served as ambassador to Poland, Norway and Bangladesh before becoming head of the Foreign Ministry's Asian Bureau in 1982.

Liu visited Japan often, including once in 1983 with then Chinese Communist Party General Secretary Hu Yaobang. He negotiated with Indonesia in April 1988 over the normalization of their relations and held talks with Vietnam in January, the first such talks in nine years between the two countries.

### CPPCC Meeting Opens in Beijing 16 Nov

OW1611121789 Beijing XINHUA in English  
1201 GMT 16 Nov 89

[Text] Beijing, November 16 (XINHUA)—The eighth meeting of the Standing Committee of the Seventh National Committee of the Chinese People's Political Consultative Conference (CPPCC) opened here today.

The four-day meeting will focus on study of the documents of the Fifth Plenary Session of the 13th Central Committee of the Communist Party of China.

Li Xiannian, chairman of the CPPCC National Committee, said in a letter to today's meeting that the plenum of the party's Central Committee is of great importance to the stability and development of China's political and economic situation.

All members of the Standing Committee of the CPPCC National Committee, he said, should do their utmost to help people understand and support the major decisions of the party Central committee.

Wang Renzhong, vice-chairman of the CPPCC National Committee, presided over today's meeting. He said the fifth plenum of the party Central Committee is another major one of great importance.

### Regulations on Public Organizations Promulgated

HK1711113089 Beijing RENMIN RIBAO in Chinese  
9 Nov 89 P 6

[Report: "Regulations Governing Registration and Administration of Public Organizations"]

[Text] Chapter I. General Provisions

Article 1. These regulations are formulated for the purpose of ensuring the citizen's freedom of association, guaranteeing the legitimate rights and interest of public organizations, strengthening the management of public organizations, and promoting an active role in socialist construction by public organizations.

Article 2. All public organizations established within the boundaries of the People's Republic of China, including associations, institutions, federations, research societies, fund organizations, amity clubs, promotional associations, chambers of commerce, and others, shall apply for registration in accordance with the provisions of these regulations. Unless otherwise provided for by legal and administrative decrees, they may commence their activities only after examination and approval of their application.

Article 3. Public organizations shall abide by the Constitution, laws, and regulations; uphold the unification of the country and unity of the nation; and refrain from jeopardizing the interests of the state, society, and collective and the legitimate freedom and rights of other citizens.

Article 4. Public organizations may not engage in profit-oriented commercial activities.

Article 5. The state shall protect the activities carried out by a public organization in accordance with its registered charter. No unlawful intervention by any other organizations and individuals shall be permitted.

Article 6. The Ministry of Civil Affairs of the People's Republic of China and civil affairs departments at all levels from the county level up shall be charged with the registration and administration of public organizations.

The activities of public organizations shall come under the direction of the administrative departments concerned.

### Chapter II. Scope

Article 7. National public organizations shall apply for registration with the Ministry of Civil Affairs. Local public organizations shall apply for registration with the corresponding civil affairs departments where their offices are located. Public organizations established across several administrative regions shall apply for registration with the higher civil affairs department with jurisdiction over these administrative regions.

Article 8. Administrative departments concerned and organs charged with registration and administration shall be responsible for the daily management of approved public organizations.

In cases where the organ charged with registration and administration is not located in the same administrative region as the approved public organization's office, it may entrust the daily management of said organization to the corresponding body located in the same administrative region.

### Chapter III. Establishment and Registration

Article 9. A public organization shall apply for registration with an organ charged with registration and administration only after examination and endorsement by the administrative department concerned.

Article 10. A public organization applying for registration must submit the following documents to the organ charged with registration and administration:

1. Registration application form signed by responsible person or persons;
2. Certificate of examination from the administrative department concerned;
3. The organization's charter;
4. Office address or mailing address;
5. Name, age, address, profession, and brief biography of responsible person or persons;
6. Description of membership.

Article 11. The charter of the public organization should state the following:

1. Name or title;
2. Objectives;
3. Source of operating fund;
4. Organizational structure;
5. Procedure for selection of responsible persons and definition of their duties and responsibilities;
6. Procedure for amendment of charter;
7. Procedure for termination of said public organization;
8. Other necessary items.

Article 12. A public organization which qualifies as a legal person shall obtain such status upon examination and registration.

All national public organizations must possess the qualifications of a legal person.

Article 13. The organ charged with registration and administration shall make a written reply as to whether or not the application for registration has been approved within 30 days of receiving said application.

Article 14. A certificate of registration as a public organization will be issued once application is approved. A certificate of registration of public organization as a legal person will be issued if said public organization meets the qualifications of a legal person, while a certificate of registration as a public organization will be issued to a public organization without legal person status.

A notice will be published in the newspapers by the organ charged with registration and administration on approval of a public organization as a legal person.

Article 15. In the event that an application for registration is turned down by the civil affairs department at all levels in the locality, the applicant may file an appeal before a higher civil affairs department within 10 days from receiving the written rejection notice. The higher civil affairs department must make a written reply

within 30 days of receiving the appeal and shall duly report to the people's government at its level for the record.

In cases where an application for registration is rejected by the Ministry of Civil Affairs, the applicant may file an appeal with the said ministry within 10 days of receiving the written rejection notice. Upon receiving the appeal, the ministry shall make a written reply within 30 days and duly inform the State Council for the record.

Article 16. The name of a public organization must correspond to its functions, membership distribution, and activities.

The names of nonnational public organizations may not carry the words "China," "National," "All-China," and so forth.

No two identical or similar public organizations may be established in the same administrative region.

Article 17. A public organization may, upon presentation of its certificate of registration as a public organization, acquire a seal and open bank accounts in accordance with relevant guidelines.

It shall submit samples of its seal and membership cards to the organ charged with registration and administration for record purposes.

Article 18. A public organization's certificate of registration may not be altered, transferred, or loaned.

In case of loss of said certificate, the public organization shall make prompt notification to invalidate the certificate. It shall then apply for a renewed copy from the organ charged with registration and administration.

#### Chapter IV. Changes and Cancellation of Registration

Article 19. A public organization may apply for changes or cancellation with the organ charged with registration and administration only after examination and endorsement by the concerned administrative department.

Article 20. A public organization shall inform the original organ charged with registration and administration of any changes in name, legal representation or responsible persons, and office or mailing address within 10 days of the changes occurring.

Article 21. In case of changes in objectives or relocation caused by other changes, a public organization must apply for cancellation of registration with the original organ charged with registration and administration, return its certificate of registration as a public organization as well as its seal, and apply for a new certificate with the corresponding organ in accordance with the provisions of Chapter III of these regulations.

Article 22. In cases of dissolution, a public organization must apply for cancellation of registration with the

original organ charged with registration and administration for which it must submit the following: an application form for cancellation of registration signed by its legal representative or responsible person; a certificate of examination from the administrative department concerned; and a certificate attesting to the satisfactory resolution of its debt payments. Upon verification, the authorized body will retrieve the certificate of registration and seal and will publish a notice in the press informing the public of the cancellation of registration of said public organization as a legal person.

#### Chapter V. Supervision and Management

Article 23. The organ charged with registration and administration shall exercise the following supervisory functions over a public organization:

1. Ensure the observance of the Constitution and laws by the public organization;
2. Supervise the public organization's observance of registration procedures in accordance with the provisions of these regulations;
3. Supervise the public organization's activities carried out in accordance with its charter.

Article 24. The organ charged with registration and administration shall conduct an annual inspection of the public organization. In the first quarter of each year, the public organization shall submit to the said organ an annual report and related documents from the previous year.

Article 25. If found in violation of the following provisions, a public organization may be subject to penalties and punishments imposed by the organ charged with registration and administration based on prevailing circumstances. These may include warning, suspension, termination of registration, and legal prosecution:

1. Withholding and falsification of facts during registration;
2. Changing, transferring, and lending certificate of registration as a public organization;
3. Conducting profit-oriented commercial activities;
4. Carrying out activities contrary to the objective stated in the charter;
5. Carrying out activities contrary to the interest of the state.

The organ charged with registration and administration shall make a public notice on termination of registration and of legal prosecution.

Article 26. Any unregistered organization which arbitrarily carries out activities in the name of a public organization and refuses to heed warnings will be dissolved by the Ministry of Civil Affairs.

Article 27. In investigating unlawful acts by public organizations, the organ charged with registration and administration must verify the facts, act according to the law, and inform the legal representative or responsible person of said organization of its decision in writing.

Article 28. In cases of disagreement with the decision made by civil affairs departments at all levels, the legal representative or responsible person of a public organization may, within 10 days of receiving a penalty notice, file an appeal with the higher civil affairs department. The higher civil affairs department must decide on the appeal petition within 30 days of receipt.

In cases of disagreement with the penalty decision made by the Ministry of Civil Affairs, the public organization may file an appeal with the ministry within 10 days of receiving the penalty decision.

#### Chapter VI. Supplementary Provisions

Article 29. Public organizations which have not been registered but which were established before promulgation of these regulations must apply for registration in accordance with the provisions of these regulations within 1 year of their promulgation. Those already registered shall apply for change of certificate.

Article 30. Registration and administration of public organizations established in China by non-Chinese citizens and by nonresident Chinese citizens will not be subject to these regulations.

Article 31. The Ministry of Civil Affairs will be charged with interpretation of these regulations.

Article 32. These regulations shall be effective the day of promulgation. At the same time, they nullify the "Interim Provisions on Registration of Public Organizations" as promulgated by the Central People's Government's Political Affairs Council on 19 October 1950.

#### Li Peng Signs Decree

HK1711103089 Beijing RENMIN RIBAO in Chinese  
9 Nov 89 P 6

[Report: "Li Peng Signs State Council Decree No 43"]

[Text] The "Regulations Governing Registration and Administration of Public Organizations" was adopted at the 49th State Council Standing Committee Meeting on 13 October 1989 and is hereby published and put into force.

[Signed] Premier Li Peng

[Dated] 25 October 1989

#### Further on State Council Notice on Funds

OW1711102189 Beijing XINHUA Domestic Service  
in Chinese 0925 GMT 15 Nov 89

[Text] Beijing, 15 Nov (XINHUA)—The State Council recently issued a notice on purging and examining "small treasuries."

The notice points out: In recent years, many organizations, groups, enterprises, and institutions have, in violation of the state financial and economic code, covertly

established various forms of "small treasuries" despite numerous prohibitions. This practice, which has contributed greatly to the loss of state revenue and to an excessive increase in consumption, has not only abetted extravagance and wastefulness but has also corrupted cadres, party style, and social values. To combat this phenomenon, in conjunction with the 1989 general inspection of taxes, finances, and prices, the State Council has decided to mount a comprehensive drive to thoroughly purge and examine covertly established "small treasuries." The notice is as follows:

1. Purging and examining "small treasuries" is of great significance as an integrated part of the campaign for economic improvement and rectification and for clean, honest government. Party and government leaders at all levels must think alike, raise their awareness, overcome hurdles, and continue to purge and examine "small treasuries." Through purging and examining "small treasuries" it is hoped that we will strengthen discipline, enhance the legal system, recover illegally retained revenue, and put all financial revenue and expenditures in order and under strict control.

2. With the exception of party fees, Communist Youth League fees, trade union fees, the retention of contribution fees, and employees mutual assistance funds, all revenue embezzled or held from the state or units by organizations, groups, enterprises, or institutions that is not listed as revenue or expenses in the accounts of the financial and accounting departments of the individual units, and instead is pocketed covertly, is counted as a "small treasury" and is targeted for purging and examination. The purge and examination campaign is aimed primarily at the various revenues and expenditures of 1988 and 1989 that come under "small treasuries," as well as the balance of "small treasuries" accumulated through the years. Effective on the day of the promulgation of this notice, "small treasuries" should stop all their payments. Violations of this order will be dealt with sternly.

3. Under the direct guidance of the leadership of their individual units, all organizations, groups, enterprises, and institutions should conscientiously prepare themselves ideologically, map out plans, organize special groups consisting of responsible financiers and accountants, and quickly conduct self-examination. They should take the initiative to purge various forms of "small treasuries" they had covertly established (including those established covertly by subordinate units and the plants, workshops, groups, and sections of enterprises) and should accurately report the various revenues and expenditures of "small treasuries." They should not omit anything in their reporting, nor should they release only minor items and conceal major ones; the leaders, as well as responsible financiers and accountants of those companies found doing so will be called to account for their actions. The deadline for self-examination is 15 December. All localities and departments should focus on the examination of the "small treasuries" of those units chosen for priority examination under the general inspection of taxes,

finances, and prices. In addition, they should organize their manpower, select a number of units, and do a major sampling examination of "small treasuries" instead of going through the whole process perfunctorily. Following the purge and examination, all organizations, groups, enterprises, and institutions will be barred from covertly establishing "small treasuries."

4. All funds uncovered from the purge and examination of "small treasuries" will be handled in accordance with the principle that "lenience be shown to those conducting self-examination, and harshness to those found guilty." During the period of self-examination of "small treasury" funds reported by units conducting self-examination, those funds used for production and collective well-being should be transferred to the accounts of the financial and accounting departments of the individual units under the category of individually owned funds; those used for workers' bonuses, physical goods, subsidies, and allowances should be incorporated into the total bonus amount issued by units, and a bonus tax should be levied accordingly; the balance, regardless of where it comes from, will be divided into halves—half will be turned over to the state treasury and half will be kept by the individual units. Funds retained should all be transferred to the accounts of the financial and accounting departments of the units and managed under the category of individually owned funds.

"Small treasury" funds that are uncovered by inspection groups sent by higher authorities after a poorly done self-examination and those already spent, no matter what purpose they were used for, should be made up by units with their own funds and turned over to the state treasury; the balance will be confiscated and turned over to the state treasury. The units involved will also be fined. In serious cases, the leaders and responsible financiers and accountants of the units concerned will be investigated and dealt with accordingly. If criminal activities such as corruption are found during either self-examination or at other times, the cases should be turned over to judicial agencies and dealt with sternly in accordance with the law. The masses should be encouraged to actively inform on lawbreakers. The identity of informers should be kept secret, and meritorious informers should be awarded accordingly. Those who retaliate against informers should be dealt with severely and sternly.

5. The offices in charge of the general inspection of taxes, finances, and prices, as well as financial departments at all levels, will jointly take charge of the task of purging and examining "small treasuries." The offices in charge of a general inspection of taxes, finances, and prices, as well as financial departments at all levels, should specially assign people for the task. Banks at all levels should give active support and cooperation and, together with the responsible agencies, carry out the task. The general inspection office of the State Council as well as those of local governments at all levels should open special accounts of "purging and examining small treasury funds" at banks of corresponding levels. The financial

and accounting departments of organizations, groups, enterprises, and institutions will be in charge of collecting the various "small treasury" funds that should be turned over to the state treasury and depositing them into the special accounts of "purging and examining small treasury funds" of the general inspection offices of the corresponding levels to which they are subordinate (central, province/autonomous region/municipality, prefecture/city, county/district). Those who procrastinate and do not turn over funds are violating financial and economic laws and will be handled accordingly. General inspection offices and financial departments at all levels, as well as all task groups and inspection groups dispatched, should step up their supervision and examination to ensure that various "small treasury" funds are collected and turned over to the state treasury in good time.

6. The specific regulations governing the purging and examination of "small treasuries" will be formulated jointly by the Ministry of Finance and the Office in Charge of General Inspection of Taxes, Finances, and Prices under the State Council. In line with the guidelines of this notice, the People's Liberation Army [PLA] General Logistics Department is charged to formulate specific regulations for purging and examining the "small treasuries" of various PLA units and to report it to the Ministry of Finance and the Office in Charge of General Inspection of Taxes, Finances, and Prices under the State Council for the record.

The various regulations of this notice are only applicable to purging and examining "small treasuries" and are not applicable to inspecting and handling other issues related to the general inspection of taxes, finances, and prices.

#### Series Continues on Jiang's National Day Speech

##### Role of CPC Emphasized

HK1411022189 Beijing JIEFANGJUN BAO  
in Chinese 31 Oct 89 p 4

[Twelfth article from the column "Questions and Answers on Studying Jiang Zemin's National Day Speech"; article by Bai Keming (4101 0344 2494): "Why Do We Say That the People's Choice of the CPC as the Leading Core of Chinese Revolution and Construction Is the Correct Choice?"]

[Text] The choice by the Chinese people in their long years of practice to make the CPC the leading core for the Chinese revolution and construction is a correct one. As early as the democratic revolutionary period, our people had recognized through firsthand experience that only under the correct leadership of the CPC could they overthrow imperialism and feudalism and achieve national liberation. Similarly in the socialist revolutionary and construction period, history proved that only the CPC could build our country into a strong, modernized socialist country.

Led by the CPC, the people of different nationalities attained enormous achievement in the 40 years since the founding of the country. This is a fact for all to see. The party led the people in building and consolidating the state power of people's democratic dictatorship, which takes the working class as the leading force and the alliance of workers and peasants as its foundation; in ending the separations in the Old China; and in bringing the country under centralized rule and realizing national unity—two things the Chinese people had dreamed about. The party led the people to conquer the blockade, invasions, and armed provocations by imperialists and international reactionaries and defended the security and independence of our country. The party led the people to rapidly heal the wounds of war and brought about socialist transformation in the system of private ownership of production materials, thus making possible a rapid development of the socialist economy. The party led the people to rigorously develop socialist democracy and the legal system, gradually improving the state's fundamental political system and initiating a socialist legal system by grounding it on the Constitution, thus continually consolidating and developing a stable and unified political situation. The party led the people to uphold an independent and peaceful foreign policy which has increasingly enhanced our international status. Our country has played an ever more important role in international affairs. In particular, since the party's 3rd Plenary Session of the 11th Central Committee, at which, based on summarizing positive as well as negative experiences since the founding of the country our party formulated the strategic decision to shift the focus to socialist modernization and laid down the basic line of "one center and two basic points," our party has found a correct path for constructing socialism with Chinese characteristics. All this proves us to be truly the leading core for Chinese revolution and construction.

There is no denying that in the process of leading the people in building socialism the CPC made some wrong turns and committed some mistakes, including the "Great Cultural Revolution," which spanned such a long time and erred totally and caused otherwise unnecessary losses to socialist construction; but we should be able to perceive that, in a big country such as ours, with a vast population, relative lack of resources, weak economic and cultural foundations, and no successful experiences or any ready models from which to learn and borrow, the only way to come to grips with building socialism is a process in which improvement is gradually made through practice. So, inevitably the party would make various kinds of mistakes in leading the construction of socialism. However, our party has never tried to gloss over or cover up its own mistakes and, moreover, has been able to correct them itself. The 40 years of socialist construction has amply demonstrated this point—that our party has persisted in correcting mistakes with truths, in continually summing up the positive as well as negative experiences and lessons in socialist construction, and in this process has grown more mature and stronger.

Recently, our party led the people to win a decisive victory in quelling the turmoil and counterrevolutionary rebellion in the capital. This can serve as an important instance. Shortly after reform and opening was launched, in a timely fashion Comrade Deng Xiaoping proposed the upholding of the four cardinal principles by the whole party. Since then, year after year Comrade Deng Xiaoping has reminded us of this issue. But because the two successive party general secretaries had not consistently upheld the four cardinal principles, and in particular because Comrade Zhao Ziyang had adopted the stand of conniving at, shielding, and supporting bourgeois liberalization, bourgeois liberalization grew stronger as it spread wider and finally led to the turmoil and counterrevolutionary rebellion between this spring and summer. At the critical juncture of the life and death of the party, country, and the race, the proletarian revolutionaries of the older generation, headed by Deng Xiaoping, threw their support behind the correct decision adopted by the majority of the Standing Committee members of the Central Political Bureau, made vigorous efforts to save the tide, and safeguarded the fruits of the socialist construction and reform and opening up. On the one hand, this disturbance has shown that when mistakes and setbacks occur in construction, reform, and opening up, they often lie within the party and the party must seriously and mercilessly analyze and resolutely correct the failure in its work and thus resolve the problems that lie within the party. On the other hand, it revealed that our party is a powerful Marxist political party that is able to stand severe trials and still be capable of leading the people to march toward the correct direction of building socialism.

#### Party's Stabilizing Role Viewed

HK1411015789 Beijing JIEFANGJUN BAO  
in Chinese 1 Nov 89 p 4

[Thirteenth article in the series "Questions and Answers on Studying Jiang Zemin's National Day Speech"; article by Bai Keming (4101 0344 2494): "Why Do We Say It Is Extremely Wrong for a Small Number of People To Exaggerate Corrupt Cases?"]

[Text] Neither socialist modernization nor reform or opening up to the world can be separated from the CPC leadership, because the CPC is the loyal representative of the fundamental interests of the working class and other working people. Only the CPC can unify the will of the Chinese people and concentrate the force of the Chinese people. Because the CPC can stabilize the political situation in the country and hold firm to the socialist orientation in construction, reform, and opening up, world reactionary forces and advocates of bourgeois liberalization in the country always try what they can to play down and attack the CPC leadership.

For a time in the past, a small number of people who obstinately persisted in bourgeois liberalization directed their spearhead at the CPC leadership—the core of the "four adherences"—in an attempt to change our socialist

republic into a bourgeois republic. They used "corruption" as an important means to attack the CPC. They flagrantly exaggerated corrupt cases in the party, negated the party's efforts to eliminate corruption, and even went so far as to spread rumors to mar the party's image and ruin its reputation with the people. We must maintain a high degree of vigilance against this.

It is undeniable that in the new situation of reform and opening up, some party members and cadres have abused their powers for personal gain and engaged in corruption. Because Comrade Zhao Ziyang advocated the "diminution" of party leadership and did not pay attention to ideological and political work, the work concerning party building has weakened, as has ideological and political work, thus making even more serious the problems concerning the party's ideology, style, discipline, and organization. This has aroused dissatisfaction among the people. As a political party that "serves the people heart and soul," the CPC must make up its mind to take measures to combat all corrupt cases and to consolidate and develop its flesh-and-blood relations with the people. This is absolutely necessary and unquestionable; otherwise our party will not be able to lead socialist construction or guide reform and opening up. But there is a need to make a basic appraisal of the party's status.

First, the party's main aspect is that good and healthy factors occupy a dominant position, although there are some corrupt cases in the party. Our party generally is a clean party that serves the people. The majority of our party members are actively and loyally serving the people, can subordinate their interests to those of the collective and the people, and can resist the corrosive influence of corrupt ideas. Examples of being devoted to public service and running a clean administration keep emerging among party members. Party members who are not up to standards account for a small percentage.

Second, the nature and aim of the party have determined that the party can maintain clean administration and eliminate corruption. The CPC is the vanguard of the Chinese working class and loyally represents the interests of people of all nationalities throughout the country. It is composed of the most conscious, most advanced, and finest elements of the working class. It takes Marxism as its guiding thought and theoretical basis and serves the people heart and soul. It has the fine tradition of criticism and self-criticism and a strong sense of discipline. It can replace the old with the new. This is the party's powerful internal impetus to eliminate corruption and maintain clean administration.

Third, the party resolutely combats corruption in the course of construction, reform, and opening up to the world. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee and its leading comrades have stressed on several occasions that the style of a ruling party concerns the life and death of the party. They have also taken as a long-term task in party building the elimination of corruption in the party.

The 13th National CPC Congress further proposed strict management over the party, and mass supervisory organizations have been set up throughout the country since then. The 4th Plenary Session of the 13th CPC Central Committee regarded the elimination of corruption as one of the four major tasks to be fulfilled at present and decided that this task should start with the CPC Central Committee and the State Council. Obviously, the party has always paid attention to opposing corruption. Practice has further proved that the CPC constitutes the main force of opposing corruption. On the one hand, our comrades should explicitly understand the importance of opposing and combating corruption; on the other hand, they should prevent a small number of people with ulterior motives from opposing the CPC leadership under the pretext of opposing corruption.

#### **Justice Minister Advocates Resisting 'Anarchism'**

HK1511060789 Beijing JINGJI RIBAO in Chinese  
1 Nov 89 p 1

[Report by staff reporter Wang Pei (3769 0160): "Resist the Ideological Trend of Ultra-Democracy and Anarchism—An Interview With Cai Cheng, Minister of Justice"]

[Text] Ultra-democratic and anarchical thoughts have a relatively extensive social basis in China and will greatly hamper our various undertakings. An extremely few reactionaries will tend to make use of them. We must be highly watchful and resolutely resist this ideological trend.

—An excerpt from Comrade Jiang Zemin's "Speech at the Meeting Celebrating the 40th Anniversary of the Founding of the PRC"

**Question: Comrade Jiang Zemin said in his speech that ultra-democratic and anarchical thoughts have a relatively extensive social basis. How do you interpret this?**

Answer: Ultra-democracy and anarchism advocate absolute freedom, oppose democratic centralism and the people's democratic dictatorship; do away with organization and discipline; and are not bound by laws. These viewpoints have negated the objective necessity of the existence of states and laws in class societies and violated the general law governing social development. They are virtually extreme individualist concepts of state and have fundamental conflicts with Marxist concepts of state.

The extremely few people who advocate ultra-democracy and anarchism have never struggled for democracy of the people. They are struggling for "democracy" in which only a handful of people can do whatever they want. They do not favor the absence of government. All they want is a bourgeois government. In a word, they intend to overthrow the leadership of the CPC and the People's Government which is legally instituted. They want to establish a democratic republic characterized by bourgeois liberalization.

Ultra-democratic and anarchical thoughts really have a relatively extensive social basis in China. This is reflected in the economic, political, and ideological bases. As far as the economic basis is concerned, despite the fact that China has scored remarkable achievements through industrialization over the past 40 years, it remains a country with small producers playing primary roles in its economy. Besides, our country has been developing the socialist planned commodity economy in recent years. If the main ideas and the desire for participation by the people who have grown up under this economy are not properly oriented, they will become extreme and harbor ultra-democratic and anarchical ideas. This is the thick layer of economic soil in which ultra-democratic and anarchical thoughts survive. As for the political basis, the extreme left tendencies, anarchism, and ultra-democracy brought about by the "Great Cultural Revolution" still exerts a rather deep influence over some young people. They so often advocate "great democracy" and eventually cause turmoil in society. In recent years, under the strategic infiltration and influence of "peaceful evolution" advocated by Western bourgeois countries, the antisocialist forces at home are becoming active and even rampant. Though there are only a handful of them, we should not underestimate the ideological thought of "bourgeois liberalization" they have spread. Ultra-democracy and anarchism themselves are the integral parts of bourgeois liberalization. The fact that some party members have made concessions to bourgeois liberalization or even connived and supported it has undoubtedly paved the way and created political conditions for the ideological development of ultra-democracy and anarchism. As far as the ideological basis is concerned, petty bourgeois individualism and liberalism have a rather extensive and deep basis. Moreover, in recent years, under the influence of decadent Western bourgeois thoughts, such extreme individualistic values as "self-value," "self-realization," and "everything depends on money" are vividly reflected by some young people. To be objective, the Chinese people have been oppressed by feudal dictatorship for several thousand years; therefore, once socialism has been instituted, people are prone to acute democratic diseases. They believe that a high degree of democracy can be attained overnight. This is the ideological basis for producing ultra-democratic and anarchical thoughts.

**Question: Why are ultra-democracy and anarchy so harmful?**

Answer: Maintaining political stability and solidarity is the important theme in successfully carrying out our socialist modernization program. It is also the common hope of the people of the whole country. On the contrary, the ideological trend of ultra-democracy and anarchy will only lead to social turmoil and chaos, hamper the stable and united political situation, and stop the normal development of our construction and reform.

Those people who are influenced by ultra-democratic and anarchical thoughts will easily be used by a handful of reactionaries who are hostile to socialism and who

damage it. They serve as their tools for making turmoil and counterrevolutionary rebellions. In the late spring and early summer of this year, at the instigation of ultra-democratic and anarchical thoughts, tens of thousands of people got involved in turmoil and formed a gigantic damaging force. This best explains this question.

**Question: How can we eliminate the influence of ultra-democratic and anarchical thoughts?**

**Answer:** Because ultra-democratic and anarchical thoughts have a rather extensive social basis, a long and arduous struggle is necessary in order to do away with them. To begin with, first we must gradually perfect the system of socialist public ownership, enhance the degree of socialization, and develop a socialist planned commodity economy so that our productive forces can be highly developed. Second, we must make criticisms of and launch struggles against ultra-democracy and anarchy on the ideological front. In criticizing ultra-democratic and anarchical thoughts, we should properly understand socialist democracy and the socialist legal system. Third, we must resolutely root out the bureaucratic and decadent phenomena of the party and government in their work so that the extremely few people who have some hidden motives will not succeed in advocating ultra-democracy and anarchy by making use of the masses' dissatisfaction.

We must educate the broad masses of the people, and especially young people, about what sort of democracy we are going to practice and what sort of freedom we need. 1) The democracy we will practice is socialist democracy in which the working class will have the right of leadership in the country which is based on the worker-peasant alliance and in which people have a share in governing the country. This democracy and freedom is much better and broader than bourgeois democracy and freedom. 2) Incessantly developing and perfecting socialist democracy is the fundamental mission in our socialist modernization program; however, it will take some time to develop sound socialist democracy because the degree of democracy that can be practiced is controlled by objective conditions. Those who are anxious about strengthening Chinese socialist democracy should earnestly create realistic, highly democratic conditions. 3) Socialist democracy and the socialist legal system are closely intertwined. Socialism is the prerequisite and foundation of the socialist legal system. The socialist legal system is the practice and safeguarding of socialist democracy. If democracy deviates from the track of the legal system, it will hinder and harm democracy or even lead to social turmoil.

**Question: How can we avoid going from one extreme to the other when criticizing ultra-democratic and anarchical thoughts?**

**Answer:** Chinese socialism has a several-thousand-year history of feudal autocratic rule. The influence of feudal autocracy is very deep. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has done a

great deal of work in removing the pernicious influence of feudal autocracy. This sort of work will continue at a deeper level. However, we should note that under the present circumstances, criticizing ultra-democratic and anarchical thoughts is our main task.

Only by conscientiously implementing the spirit of Comrade Jiang Zemin's National Day speech, institutionalizing and legalizing socialist democracy in every aspect of social life, and attaining a situation in which the country is governed by law can we resist ultra-democratic and anarchical thoughts and push forward socialist democracy and the development of the legal system and guard against going from one extreme to the other.

#### Article Warns Against 'Soft Sell' From Without

HK1411152789 Beijing JIEFANGJUN BAO  
in Chinese 2 Nov 89 p 2

["Public Forum on National Defense Education" column by Lin Folian (2651 0154 1670): "Beware of 'Soft Sell' From Outside"]

[Text] The political upheaval and counterrevolutionary rebellion in Beijing which took place early this summer shocked every conscientious citizen of our republic with its frightful, harsh reality. It gave us a profound negative lesson on national defense. The people saw clearly from the international background of this upheaval the evil acts committed by hostile international forces against socialist China. On the other hand, it presented an extremely important task in national defense education. That is, simultaneous with the need to prepare psychologically for external armed aggression, it is also necessary to construct a spiritual wall to resist the "soft sell" strategy of "peaceful evolution."

Since the birth of the People's Republic of China, imperialism and international monopoly capitalism have never ceased to try to undermine and subvert China's socialist system. After the disastrous failure of their policy of armed intervention and economic embargo, they changed their tactics and resorted to the "soft sell" of "peaceful evolution," placing their hope on the third and fourth generations of Chinese. Once we opened our doors and implemented a policy of opening up, those external reactionary forces that have always been hostile and resentful of socialist China took advantage of vigorously exporting the capitalist economy's concepts of privatization, pluralism in politics, and liberalization in culture to our country. They used decadent capitalist ideologies and thinking on politics, economics, social ethics, and individual values, to subvert and pollute the minds of our people, particularly the young ones. By doing so, they hoped to take away the Chinese people's spiritual weapon, divert China from its socialist path and steer her into the path of monopoly capitalism, thereby becoming their vassal and enabling them to achieve the strategic goal of "winning without

fighting." The upheaval and the Beijing counterrevolutionary rebellion are exposures of their strategic objective of "soft sell."

Since ancient times, the twin strategies of physical and psychological warfare have always complemented each other. The humiliating defeats suffered by China at the hands of foreign aggressors in the last century may be attributed not only to the "superior arms and weapons" of the foreign enemies but also to the painful "lack of vigilance" in the country. The bloody lessons tell us: Once people lose their sense of country, of national defense, and of nation, total collapse of the spirit will inevitably follow. Confronted by such tempting slogans as "democracy and freedom know no borders nor social system" and "as long as there is modernization, it does not matter whether it is capitalist or socialist," one can easily become a captive of the spiritual infiltration of hostile forces and become a slavish "conquered people." The national defense education which we are carrying out now, and which is highlighted by promotion of patriotism, is intended to foster a strong sense of national defense and of the nation in the hearts of the people and thus build a spiritual wall to resist the "soft sell" of hostile external forces.

The most fundamental way to enhance one's resistance to the "soft sell" of peaceful evolution by foreign forces is to arm the people with a national defense education that is anchored in patriotism and highlighted by Marxist and Mao Zedong Thought viewpoints on war, class struggle, and human values. We should foster the most precious national spirit of the Chinese nation, resurrect the spirit of patriotism, revive the will to build the nation, and promote the value of thriftiness. Only in this way will our country be able to weather the storms and resist the invasion of "superior arms and weapons" as well as the "soft sell" of spiritual infiltration from outside. Only then can our national defense be strong as a rock and our people be able to lead peaceful and prosperous lives.

#### **LIAOWANG Attacks Dissidents' 'Freedom'**

HK1311134789 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 44, 30 Oct 89

[Article by Zhen Ru (2182 1172): "What Kind of Freedom Does Yan Jiaqi and His Band Seek?"]

[Text] The plotters and manipulators of the Beijing counterrevolutionary rebellion, such as Yan Jiaqi and Wuer Kaixi, made countless noisy declarations about freedom at the time of the upheaval and rebellion. During their occupation of Tiananmen Square, they also established a so-called "freedom village", "freedom camp", and later set up a ridiculous "Statue of Liberty" (subsequently renamed "Goddess of Democracy"). After their escape to foreign countries they continued to talk about so-called "democracy," "freedom," and "human rights" in their various manifestos and speeches. What kind of "freedom" are they really after? Is the "freedom"

coveted by this group of people the same as the freedom needed by the Chinese people?

When the famous British playwright George Bernard Shaw came to China in 1933 and saw the Chinese people at that time fully "enjoying" the "freedom" to be exploited and oppressed and the "freedom" of starvation, he said to his Chinese friend: "The only freedom that is worthwhile is the freedom of the oppressed to cry out about his pain and to change the conditions of his oppression."

Under the leadership of the CPC, the Chinese people engaged in decades of bloody and courageous struggle and bade a final farewell to the dark days characterized by the "freedom to cry out his pains". They now enjoy the freedom to run their own country, the freedom to not be exploited and oppressed, and the freedom to develop their talents and skills fully and to rely on their honest labor to create a better life. However, Yan Jiaqi and his band do not seem to see these freedoms. This is not surprising; it just shows that they do not care about the genuine freedom of the Chinese people; rather, they have other motives in mind.

Lincoln, the American president who proposed the abolition of slavery and issued the "Declaration on the Emancipation of Black Slaves" but was later assassinated by a slaveowner, once said: The shepherd chased away the wolf and is regarded by the grateful sheep as its emancipator, but he is also chastised by the wolf as the destroyer of freedom. Hence, people's definition of "freedom" varies according to their respective situations. On the question of "freedom," Yan Jiaqi and his band do not share any common language with the Chinese people.

In fact, because man lives under various restrictions imposed by the natural world and society, he never enjoys absolute freedom. In the United States, the so-called leader of the "free world," there is a saying that goes like this: "The limits of freedom go as far as the tip of your nose." The poet Goethe, an advocate of social reform, once remarked: "Freedom basically hopes to achieve such a possibility, that is, to be able to do something rational under all conditional restrictions."

According to the Marxist viewpoint, freedom is the natural outcome of cognizance. In other words, man can only have freedom of action after he has gained a proper understanding of the law of nature and the law of social development; the deeper the understanding, the greater his freedom. A person who cannot swim will drown if thrown into the water; however, once he masters the principle of water and learns how to swim, he then becomes free in the water. Mankind used to be unable to break free from the earth. Today, with a more profound understanding of the earth, space, and the entire universe and with more advanced instruments, he can travel in space. All progress in human civilization is a step forward in terms of freedom.

The 10 years of reform have given the Chinese people a deeper understanding of the law of nature and the law of China's social development. The Chinese people have gained many new freedoms. In the past, we did not have the techniques to manufacture color televisions and refrigerators; therefore, we did not have the freedom to make them. Today, we do. In the past, acute housing shortage in the cities and countryside deprived many people of housing facilities. The construction of more than 8 billion square meters of residential buildings in the cities and countryside over the past decade has enabled more people to enjoy the freedom to live in bigger premises. In the past, peasants could not set up enterprises and did not enjoy freedom in this regard. Today, they have established thousands of enterprises of varying scope, and some of their products are even sold in the world market. So, "the men with muddy feet" now have the freedom to set up enterprises and engage in foreign trade. Ever since the Chinese people broke free from foreign domination and won the freedom to run their own country, they have acquired a deeper understanding and richer experience in perfecting the socialist system. They have made the system realize its superiority through reforms, even though they did encounter setbacks and made mistakes along the way. In other words, they have gained greater freedom in running their own country. The Chinese people, who suffered much from exploitation and oppression, only aspire to develop their economy and culture and build their own country without interference from others and to gradually create the conditions for more and greater freedoms.

What exactly is the kind of "freedom" that Yan Jiaqi and his group clamor about? What were the means they were going to employ to obtain it? One can make some presumptions based on their speeches and action.

The famous German philosopher Kant once stated: "The meaning of freedom lies in setting up a legal system and adhering to it." In plotting and manipulating the upheaval and rebellion in the name of "freedom," Yan Jiaqi and his band began to trample upon the Constitution of the People's Republic of China that had been solemnly deliberated and drafted by the National People's Congress. Because of the painful lessons from the "Cultural Revolution," the Constitution banned big-character posters. Yet, they incited the young people to put up big-character posters all over school campuses, streets, and Tiananmen Square. The Constitution provides that China will implement the socialist system under the CPC's leadership and adhere to the four cardinal principles. They boldly and defiantly opposed the leadership of the Communist Party and demanded the "abolition of the four cardinal principles". The government imposed martial law in parts of Beijing in accordance with the Constitution; they tried every means to hinder the enforcement of martial law and went so far as to commit acts of anarchy, like killing PLA soldiers enforcing martial law and burning a huge number of military vehicles. Irregardless of the country, the people's rights to democracy and freedom are exercised on the basis of the legal system. Yan Jiaqi and his

band trampled upon the fundamental law of the land and then dared to claim they were fighting for "freedom" for the people! Is their so-called "freedom" another name for anarchy or is it a banner used by plotters to deceive and trick the people?

In clamoring for freedom, Yan Jiaqi and his band particularly stressed "freedom of speech." Freedom of speech does exist in our country. All speeches which conform with the Constitution and are beneficial to the interests of the country and people may be issued freely. Even articles critical of party and government shortcomings and mistakes and those which expose the corrupt practices of government officials, including top officials, are often published in the press. However, why should counterrevolutionary speeches which violate the Constitution and undermine the interests of the country and people be accorded freedom? The "freedom of speech" endorsed by Yan Jiaqi follows a different set of standards. Taking advantage of their influence in the media and the power in their hands, they gave the "go signal" to speeches viciously critical of the Communist Party in the name of "freedom of speech"; yet they would suppress and obstruct the issuing of those in praise of the Communist Party. They allowed publication of articles and speeches slandering the socialist system while hindering those about socialist construction. And when the upheaval and rebellion that they had plotted, organized, and manipulated reached its peak, their "freedom of speech" also became, in fact, the freedom of rumor-mongering. And what a vast amount of rumors they fabricated in Tiananmen Square and after their escape to foreign countries! If a world-class king of rumors is to be elected, they can certainly fit the bill. In the days when they occupied Tiananmen Square, they used the "Voice of America" like some heavenly edict and related rumors about turmoil in China through loudspeakers to nearby residents. This move stems from the same logic as Fang Lizhi's proposal to import a foreign premier. The "freedom" they cried about is in fact an attempt to bury the Chinese people's freedom, to run their own country, and to replace it with the freedom enjoyed by Yan Jiaqi and his band today—the freedom to dance to the tunes of international anticommunist forces.

#### NEWSWEEK Article on Deng Retirement Censored

HK1711112089 Hong Kong AFP in English  
1115 GMT 17 Nov 89

[Text] Beijing, Nov 17 (AFP)—An article on China was ripped out of all issues of the U.S. magazine NEWSWEEK which arrived Friday on Beijing newsstands.

NEWSWEEK's Beijing correspondent, Dorinda Elliot, said the authorities told her they had excised pages 35 and 36 because the article "hurt the feelings of the Chinese people."

The article focusing on the retirement of senior leader Deng Xiaoping also mentioned the family connections of General Yang Shangkun, China's president and one of the government's strongmen, she said. Gen. Yang was

one of the key organizers of the June 4 army crackdown against student-led democracy protests in Beijing. His younger brother, General Yang Baibing, was recently named secretary general of the Communist Party's powerful Central Military Commission.

NEWSWEEK was hit by a similar measure in September when a page carrying the photo of a Chinese student killed by the army during the June bloodbath was torn out. A special edition of the U.S. magazine TIME devoted to the Beijing protests and massacre was seized by Chinese customs agents at the same time.

Beijing recently announced a toughening of measures against "reactionary propaganda from abroad."

### Jiang's Power on Military Commission Questioned

HK1711080189 Hong Kong PAI HSING in Chinese  
No 204, 16 Nov 89 pp 9-10

[Article by Lu Keng (7120 6972): "Can a Boy Scout Become a Marshal? Can Jiang Zemin Firmly Hold the Military Power?"]

### [Text] Retiring After Becoming a Criminal Who Stands Condemned Through the Ages

The 5th Plenary Session of the 13th CPC Central Committee approved Deng Xiaoping's resignation from the chairmanship of the Military Commission of the CPC Central Committee and appointed Jiang Zemin to take over the post. It seems as if the question of whether Deng Xiaoping must be succeeded by a civil official or a military officer and whether the gun must command the party or vice versa has been solved. It was known to all that when Deng Xiaoping was chairman of the Military Commission, he arrogated all powers to himself. Disregarding all rules and regulations, he appointed the No 1 man in the party, Zhao Ziyang, general secretary of the CPC Central Committee, as the first vice chairman of the Military Commission. This revealed Deng's ~~one~~ feature as a military dictator and strongman. Now, the fact that Jiang Zemin has taken over the chairmanship of the Military Commission can at least be interpreted as the restoration of the tradition of the party commanding the gun. Deng Xiaoping talked about retirement as early as in 1980 continued to mention this matter for nearly 10 years. He retired after the June 4 incident in which he became a criminal who stands condemned through the ages. This demonstrates that power can not only corrupt a person but also destroy him. Is this not a bitter lesson of history?

On 10 May 1988, when I interviewed Hu Yaobang in Zhongnanhai, I asked him: "Now some people abroad have the following idea: His Excellency Mr Deng has become chairman of the Military Commission, mainly because he is more authoritative. Just as you have said that he has great intelligence and a wealth of experiences, all people feel a heartfelt admiration for him. When he is

in good health, why do you not take over the chairmanship of the Military Commission? Do you not think that it is better for you to do so? Is it not more beneficial to stabilizing the situation?"

Mr Hu Yaobang answered my question frankly: "It is the habit of the Army to consider qualifications and arrange ranks according to seniority. When Comrade Xiaoping commands the Army, a sentence from him is enough; but we have to utter five sentences. These five sentences do work, but one sentence from him is enough."

Later, when the old-man group overthrew Hu, these remarks became an important indictment against him! The question I raised also became a main basis for regarding me as a bad man.

### Mutual Constraint

Facts have shown that if Deng Xiaoping could have peacefully surrendered his chairmanship of the Military Commission in 1985 or 1987, he could have avoided the fate of becoming a criminal in the June 4 incident. If Zhao Ziyang had become chairman of the Military Commission, the massacre could have been avoided because he resolutely opposed the plan of assembling massive force.

Was this a historical prank or a tragedy because of Deng Xiaoping "not believing in heresy?" When one recalls this matter, he feels dejected.

Why did the CPC Central Committee pick Jiang Zemin to take over such an important post? Does Jiang have the qualifications and capability to command the Army? It is precisely because Jiang does not have such a qualification and capability that he was chosen to take the post. Actually, the power of the Central Military Commission has been in the hands of Yang Shangkun. But in the eyes of many old men, Yang is not qualified. To maintain a situation of the balance of power, Deng Xiaoping lets Jiang Zemin be the nominal chairman of the Military Commission but lets Yang Shangkun wield the actual power with the aim of mutually constraining them.

According to current arrangements, Yang Shangkun is the first vice chairman of the Military Commission, who can issue orders. His younger brother, Yang Baibing, former director of the General Political Department of the People's Liberation Army [PLA], has been promoted to become general secretary of the Military Commission. He is in charge of the commission's day-to-day work. The commission is actually under the control of the Yang brothers. The purpose of appointing Jiang Zemin as chairman of the Military Commission is obviously to constrain the Yang brothers. In addition, according to the principle of the CPC that the "party commands the gun," the CPC can justify itself both at home and abroad by the fact that the party general secretary is concurrently chairman of the Military Commission. This will also improve the bad impression caused by Deng Xiaoping's previous violation of the rules and regulations governing the promotion of cadres.

### The Letter of Resignation Reveals a Profound and Mysterious Truth

However, as one can find out from the actual reality of the CPC's rule over the mainland that over the past 40 years, the CPC has never given up the outmoded conventions that "those who conquer must rule the country." Hu Yaobang intended to make the cadre corps younger, but he was deposed by those old men. After Hu fell, those old men brazenly appeared on stage. At any critical moment, what they say counts. Peng Zhen is the most conspicuous example. Although he holds no official post in either the party or the government, after the "June 4" incident, he spoke to members of the NPC Standing Committee on behalf of the CPC Central Committee. As long as those old guys at the higher stratum are still alive, Jiang Zemin and his like can only become a daughter-in-law. Even if Jiang Zemin is more capable than Wang Xifeng [a character in the famous classical novel "The Dream of the Red Chamber"] in the Daguan Garden, he has to adjust his behavior to his master Deng Xiaoping's expression. However, it is more difficult to attend to Deng Xiaoping than to Empress Dowager Ci Xi. The fact is that he easily believes slanderous talk shows that he is narrow-minded and shortsighted.

Furthermore, Deng's letter of resignation has revealed a profound and mysterious truth: "After my retirement, I will continue to be loyal to the cause of the party and state." In other words, with regard to policy decision of primary importance, this empress dowager will continue to hold court from behind a screen. Therefore, as long as Deng Xiaoping is still alive, Jiang Zemin must "read his books, listen to him, and do things in accordance with his instructions." As far as Deng Xiaoping is concerned, he has lost his left arm, Hu Yaobang, and his right arm, Zhao Ziyang. If he fails again to use his wheelchair, Jiang Zemin, he will die discontented.

### The Four Major Contradictions Facing Jiang Zemin

Everyone knows that Jiang Zemin has no connections with the Army at all. Hu Yaobang took part in the Long March and was once director of the Organization Department of the Central Military Commission. When Zhao Ziyang was a provincial party secretary, he was concurrently a political commissioner of the provincial district. However, Jiang Zemin is not related with the Army at all. He is promoted to the Army post merely because Deng takes a fancy of him. In those years, Mao Zedong handpicked Hua Guofeng as his successor. On a narrow strip of paper, Mao wrote, "When you are in charge, I am at ease." As far as the miserable Jiang Zemin is concerned, Deng Xiaoping has said nothing in his favor, except that he asked people around him "not to be unconvinced." It is appropriate to say that as long as Deng is still alive, Jiang Zemin can survive. However, once Deng is called in by Marx, Jiang will be lucky if his fate is the same as that of Hua Guofeng.

Jiang Zemin currently faces the following four principal contradictions: 1) Contradiction between civil officials and Army officers. Jiang is a civil official, but has now become commander of the Navy, Army and Air Force. Will those Army officers be convinced by this? 2) The contradiction between those who have more seniority and those who have less. Just as Hu Yaobang stated, the Army of the CPC follows a tradition of considering qualifications and arranging ranks according to seniority. This principle plays an important role in handling relations within the Army. In particular, some old men are unconvinced, because Jiang Zemin has taken a helicopter [miraculous rise]. Under such circumstances, how can he command the whole Army? 3) The contradiction between the north and the south. Jiang Zemin is a southerner. He grew up and was educated in the south. However, the Army of the CPC was born and expanded in the north, and most of its high and middle-ranking officers are northerners. In Chinese society, which attaches importance to provincialism, such contradiction cannot be avoided. 4) The contradiction between Yang and Jiang. Yang Shangkun led the Army for nearly 10 years. The Yang brothers put their trusted followers in various important posts in the Army. Jiang Zemin, as chairman of the Central Commission, regard Deng as his benefactor; but in his eyes, Yang Shangkun is his stumbling block. There is inevitably a contradiction between them. It has been reported that the Yang brothers have recently spread the word in Beijing: "A boy scout has become a marshal. Is it not a joke?" Deng Xiaoping's purpose for promoting Jiang Zemin is to ease the contradictions; however, the result is just the opposite, and the contradictions have become more acute. While Deng Xiaoping is still alive, such contradictions can be covered up; once he dies, they will become intensified. The Chinese people will further suffer endless hardships and calamities then.

### Science & Technology

#### Academy of Sciences Leader on Continuing Progress

HK1511060589 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1149 GMT 14 Nov 89

["Chinese Academy of Sciences President Zhou Guangzhao Says, Retrenchment Policy Will Not Affect Science and Technology Development Companies"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 14 Nov (ZHONGGUO XINWEN SHE)—Zhou Guangzhao, president of the Chinese Academy of Sciences, today encouraged the experts in China's highest research institution of natural sciences to firmly advance along the course of developing science and technology and regenerating industry. He said that the central authorities' retrenchment policy is not directed at the science and technology development companies; on the contrary, this policy will bring better opportunities for the development of these companies.

He expressed the above opinion at the meeting to celebrate the founding of the Beijing Lianxiang Computer Group.

Since the reform of the scientific research system began in 1984 on the mainland, the Chinese Academy of Sciences has set up more than 400 companies. Zhou Guangzhao today hoped that the Lianxiang Group will set a good example in becoming an export-oriented high technology company under the Chinese Academy of Sciences.

The precursor of Lianxiang Group was the Computing Company of the Chinese Academy of Sciences. It started its business with 200,000 yuan of capital. Through 4 years of effort, this company has developed into a large-scale computer production group whose annual sales exceeds 200 million yuan. This company joined hands with a Hong Kong company in making an investment of 900,000 Hong Kong dollars to set up the Lianxiang Company. In 18 months, the new company's sales reached 290 million Hong Kong dollars, and won a good position in the highly competitive computer market in Hong Kong.

Liu Chuanzhi, president of the Beijing Lianxiang Computer Group, said that the Hong Kong Lianxiang Group, which is affiliated to his business group, had planned to sell "Lianxiang-286" computers to Europe and America at a speed of 3,500 pieces a month. This plan shows that the microcomputers developed and made by China will enter the international market on a large scale. If this plan is carried out smoothly, the stocks of the Lianxiang Group will be issued on overseas markets in 1993, and will thus become the first stock of a high technology computer group on the mainland being circulated on the international market.

**GUANGMING RIBAO on Scientific Exchanges**  
*OW131111989 Beijing GUANGMING RIBAO in Chinese*  
3 Oct 89 p 4

[Article by Gao Zhenning (7559 6966 1337): "Persist in Carrying out Reform and Opening to the Outside World and Promote International Exchange"]

[Text] Our country, the People's Republic of China, has traversed a course of 40 years, during which earthshaking changes have taken place. The China Association for Science and Technology [CAST] is a mass organization of Chinese scientists and technicians, and it also serves as an association of organizations of natural, engineering and technical sciences as well as an association of local science organizations. Under the leadership of the party, and thanks to the efforts made by the vast number of scientists and technicians, CAST has been developing rapidly along with our motherland.

Chinese scientists and technicians have been working hard to expedite the nation's scientific and technological development ever since the founding of the republic 40 years ago. In recent years, CAST has made it a practice to

sponsor approximately 10 projects each year which involve various branches of learning and deal with major issues relevant to the national economy and people's livelihood, as well as to the establishment of new branches of learning. Each year, the 151 national societies affiliated with CAST sponsor jointly or independently about 450 major academic meetings, and publish 364 academic periodicals. All this has promoted academic discussions among the vast number of scientists and technicians at all levels and in all spheres.

CAST's academic activities primarily consist of the following:

First, it puts forth suggestions to the state on scientific and technological development policies and major national economic development issues, thus turning academic ideas into ideas for making decisions. For example, a whole series of constructive proposals was made by the China Agronomy Society, the China Forestry Society, and 20 other national societies which, during the period 1979-86, organized many scientific study tours and academic discussions to study the strategy for agricultural development in northeast and northwest China, the Huang-Huai-Hai plain, Hainan Island, the hilly areas in southern China, the Shanghai Economic Zone, the Wuling mountainous regions, and other areas where the natural conditions as well as social and economic conditions are different. The feasibility studies and proposals made by the China Metallurgy Society, the China Energy Institute, the China Geology Society, and the China Oceanography Society concerning the strategy for developing iron and steel industry, energy, and geological and ocean resources have served as important basis for the state and relevant department to formulate their policies and make their plans.

Second, it promotes the establishment of new branches of learning. Tribology is a new branch of learning which began in the 1960's. According to statistics, approximately one-third of the energy in the world is consumed by friction in one way or another. After many academic meetings as well as a 5-year survey—which began in 1982—in various industries, the China Society of Mechanical Engineering has powerfully enhanced the development of tribological studies. And thanks to the consistent efforts of the China Mechanics Society, the China Aviation Society, the China Metal Society, and the China Society of Mechanical Engineering to promote the study and application of rupture mechanics [duan lie li xue 2451 5933 0500 1331], China is the forerunner in research in this field.

Third, it enhances the nation's scientific and technological development and helps revitalize the economy. Guided by the principle that "economic construction should rely on science and technology, and scientific and technological work must be geared to the needs of economic construction," approximately 80 percent of the activities carried out by societies under CAST are activities that can directly serve the nation's economic

construction. For example, the reserves of China's tungsten ores are the highest in the world. Prior to 1980, however, China, while exporting large quantities of tungsten ores, had to import tungsten and molybdenum goods at prices several hundred times or even a thousand times higher than the selling prices. Later, the China Electronics Society, the China Nonferrous Metals Society, and the China Economic and Industrial Associations met on many occasions to discuss the issue. They drew up research projects and organized joint efforts to tackle major technical problems. Today, China not only is self-sufficient in tungsten and molybdenum goods, but also has become a major exporter of tungsten and molybdenum goods.

Since its founding in 1958, CAST has been promoting scientific and technological exchange with foreign countries. In the early years, it engaged in exchanges mainly with the Soviet Union and East European countries. Later it expanded such exchange to Third World countries and actively participated in World Association for Science and Technology-sponsored multilateral scientific and technological exchange activities. In the mid-1960's, CAST hosted two large international symposiums—the Beijing Scientific Conference in 1964 and the Beijing Summer Seminar in Physics in 1966—to promote international scientific and technological exchange. After the 3d Plenary Session of the 11th CPC Central Committee, CAST established, in succession, cooperative ties with the scientific and technological organizations in the United States, the United Kingdom, Australia, Canada, Japan, and France. Later on, it gradually restored or developed relations with the associations for science and technology in such socialist countries as the Soviet Union, Hungary, Poland, Czechoslovakia, Yugoslavia, Korea, and the German Democratic Republic. It also made contacts with the scientific and technological organizations in the Federal Republic of Germany, Italy, and Finland, and began exchange and cooperative activities with the scientific and technological organizations in India, Pakistan, and Singapore. At present, CAST and its affiliated societies (associations, study societies) have established ties with more than 100 scientific and technological organizations in over 80 countries and regions, joined 182 international scientific and technological organizations where some 400 Chinese scientists and technologists are working, hosted more than 1,200 international symposiums and scientific and technological exhibitions, and received nearly 40,000 foreign scholars. Chinese scientists and technologists have thus far issued 33,000 treatises at international academic conferences.

To better make use of international scientific and technological exchange to boost the development of science and technology in China, CAST has also in recent years begun the following tasks. First, it works hard at having international scientific and technological conferences held in China. For that purpose, it set up the "CAST international scientific and technological conference center." In coordination with concerned agencies, it has

hosted 176 international conferences and received 17,000 foreign scholars in the past 4 years. There were more than 400 scientists and technologists from over 60 countries and regions attending the 22d plenary session of the board of directors of the International Federation of Sciences held in Beijing last year. The province of Taiwan sent three representatives to the meeting and thus opened up a new vista for scholars from both sides of the Taiwan Straits to conduct scientific and technological exchange in mainland China. Second, it organizes scientists and technicians to take part in foreign scientific research and to study abroad. It has in the past few years sent more than 2,000 people abroad, of whom some 1,000 have completed their studies and returned, with many becoming leaders or top technicians in enterprises. Third, it places equal emphasis on both scientific and technological exchange. While actively participating in international academic exchange in science and technology, CAST has organized and taken part in many international exchange activities centering on applied engineering technology and management modernization; organized scientific and technological groups to visit foreign countries to learn their applied technology; and, via various overseas activities, acted as a go-between to assist enterprises in importing technology and exporting technological products in a bid to make concrete contribution to China's economic construction.

To promote and strengthen international scientific and technological exchange, the following two guiding principles should be abided by. First, such exchange should be further expanded. Dictated by China's open policy, such exchange should be steadfastly carried on. Today it is impossible for any country that isolates itself from the rest of the world to develop science and technology. As technology continues to advance at an ever-increasing speed and the cooperation and exchange in science and technology among various countries rapidly expand and become unprecedentedly active, some major issues affecting all of mankind, such as the environment, resources, and climate, have to various degrees become topics of global exchange and research. CAST must make use of the numerous advantages of its various specialized societies and actively take part in such academic exchange and cooperation. CAST should also actively try to participate in exchanges and research involving significant and promising sciences and technologies. As the development of science and technology becomes more and more pluralized and different countries lead in different scientific and technological fields, CAST must take further steps to develop people-to-people scientific and technological exchange and contribute to the global development of science and technology. Second, the capacity for independent development must be further expanded. Today competition in the field of science and technology dominates the competition for greater overall national strength in the world. For all countries, all major sciences and technologies relevant to national development are highly classified secrets. Although sciences have no national boundaries, once they can be

applicable, vigorous international competition immediately becomes apparent, and even nongovernmental exchange is also subjected to state intervention. We must be fully aware of this fact. In the field of application, we must be ready for independent development and strive to expand our capacity for independent development. Self-reliance and opening to the outside world are the unity of opposites. Independent development does not mean that international exchange is dispensable, but means that while we ourselves should play the dominant role, we should also continue to learn the strong points of other countries. Moreover, exchange is something reciprocal. So long as we attain a higher level academically, scientists and technicians abroad will have the incentive to have exchanges with us. This is a very important point to know. Our international exchange programs today also confront the issue of training proficient personnel. Not only must we improve the proficiency of our scientists and technicians; we must also improve their foreign language ability. Thus, in order to promote our country's scientific and technical exchange with other countries on a nongovernmental basis, we must devise effective measures and draw up plans to establish a nongovernmental contingent of scientists and technicians to take part in international scientific and technical exchange. This contingent should be composed of old, middle-aged and young scientists and technicians, with the middle-aged personnel as the mainstay.

Chinese scientists and technicians have withstood the test of the storm that occurred in Beijing in late spring and early summer this year. Facts show that the majority of Chinese scientists and technicians are patriotic, and that they support the CPC leadership and adhere to the socialist course. Traditionally patriotic, Chinese scientists and technicians have persisted in sharing the same destiny with socialism. Under the CPC leadership, we will continue to uphold the four cardinal principles; persist in carrying out reform and opening to the outside world; and continue to be dedicated, innovative, fact-finding, and cooperative workers who will work hard to expedite China's scientific and technological development so that the work of the science and technology societies and organizations in China will be even more compatible with the nation's socialist modernization drive.

#### **Low-Temperature Nuclear Reactor Begins Operation**

OW1411052989 Beijing Television Service  
in Mandarin 1100 GMT 11 Nov 89

[Text] The world's first safest casing style nuclear power reactor was put into operation in Beijing's [words indistinct] today.

Song Jian, state councillor and minister in charge of the State Science and Technology Commission, attended the inauguration ceremony and expressed his congratulations.

This 5-megawatt low-temperature nuclear power reactor was built by the engineers of the Nuclear Energy Technological Institute of Qinghua University in 4 and 1/2 years. It is one of the key projects of the Seventh 5-Year Plan.

The 5-megawatt nuclear reactor is China's first new-type thermal reactor, which adopts liquefied [words indistinct] and a total-power natural circulation system.

This reactor is very safe. It is equipped with both pressure and safety shell construction and intermediate isolation loop. It also adopts a new type of hydro-control pump system. This kind of advanced control pump was invented and manufactured by China and was successfully applied for the first time in the control pump system in the reactor.

A nuclear reactor is a piece of equipment which generates a large quantity of energy from nuclear fuel by creating a controllable fission. The low-temperature nuclear power reactor is a new type of nuclear power reactor whose safety is very excellent. It was specially designed in recent years to supply energy to large cities. It creates a new path toward the peaceful use of nuclear power. At present, research in this field by some other countries is still in the stage of engineering designs. The first example of success of the 5-megawatt nuclear power reactor in China indicates that our country has entered into the advanced rank and file in the peaceful use of nuclear power in the world. Its success will bring about marked results in supplying energy to cities, energy saving, and environmental protection. For example, a 400,000-kilowatt low-temperature nuclear power reactor will provide enough energy for a total floor space of 10 million square kilometers. It can save 600,000 metric tons of standard coal annually. It is estimated that its cost will be equivalent to 75% of the energy supplied by turbines.

#### **New 'Super Mini-Computer' Developed**

OW1411125589 Beijing XINHUA in English  
1106 GMT 14 Nov 89

[Text] Beijing, November 14 (XINHUA)—Chinese scientists have developed a super mini-computer capable of 10 million calculations per second.

The computer, jointly developed by researchers from the Syntone Corporation and Beijing University, is the size of a television set. Previous computers of such scope were as large as trains.

The president of Syntone, Jin Yanjing, announced at a press conference: "It is a new kind of computer with a unique system structure that has never been seen in China's domestic market."

Dozens of Chinese universities and petroleum and geological exploration departments have placed orders with the company.

## Military

### RENMIN RIBAO Interviews Wang Hai, Zhu Guang

HK1611072189 Beijing RENMIN RIBAO in Chinese  
10 Nov 89 p 5

[Article by Cai Shanwu (5591 0810 2976): "Build A Strong Air Force—An Interview with PLA Air Force Commander Wang Hai and Political Commissar Zhu Guang"]

[Text] On the eve of the 40th anniversary of the founding of the PLA [People's Liberation Army] Air Force, General Wang Hai, commander of the Air Force, and Lieutenant General Zhu Guang, political commissar of the Air Force, were interviewed by our reporters. During the interview, General Wang Hai and Lieutenant General Zhu Guang said: "After 40 years of construction and development, the PLA Air Force is now capable of carrying out all types of military tasks, such as air attack, air support, air transport, air detection, and air defense, and is also playing an increasingly important role in providing support for ground and naval forces.

Reviewing the history of the Air Force, the two leaders said that the Air Force is a component part of the PLA and was founded on 11 November 1949. In the first few years after its founding, the Air Force bravely undertook air defense tasks and distinguished itself in defensive air combat despite its small size. Later on, the Chinese People's Air Force Volunteers were formed, which took part in the world-renowned war of resisting U.S. aggression and aiding Korea and was thereby tempered and developed amidst the flames of war. In May 1957 the PLA Air Defense Force merged into the PLA Air Force. It has since become a mixed armed service which consists of air units, a surface-to-air missile force, anti-aircraft units, radar units, airborne units, and other professional forces. Over the past 40 years, the Air Force has brought down and damaged a total of more than 3,800 enemy aircraft and successfully accomplished the glorious task of defending China's territorial air space and socialist construction.

General Wang Hai said that in the first few years after the its founding, apart from a small number of aircraft captured from the KMT Air Force, most of the aircraft in the possession of the PLA Air Force were bought from the Soviet Union. Later on, along with the establishment and development of her aeronautics industry, China began shifting her stress from aircraft repair to aircraft manufacture and from copying foreign-made aircraft to developing and manufacturing aircraft. By the mid-1970's, China was been able to supply most of the aircraft and surface-to-air missiles needed by the PLA Air Force. It is now equipped with fighter planes, attack planes, bombers, reconnaissance planes, and other special aircraft, all of which are designed and manufactured in China. The functions of these planes have been continuously improved. Much improvement has also

been achieved in developing the equipment and weaponry that go with these aircraft, including air-to-air missiles, radar and fire-control systems, communications and navigation systems, flight-control systems, and so on.

Commander Wang Hai said that since the 3d Plenary Session of the 11th CPC Central Committee, the PLA Air Force has further improved its surface-to-air missiles and its relating equipment and further strengthened its own combat effectiveness. Now the number of pilots who can fly in all weather conditions is almost twice as many as 11 years ago. Most of the flight personnel have reached pilot standard, among whom some are special or first-class pilots. In order to facilitate international exchanges, the Air Force has trained a number of young pilots with a good command of English. All the commanders of the PLA air units at army, division, and regiment levels can fly. All the PLA Air Force division commanders can fly and command air combats. Most of the Air Force regiment commanders can command air combats and direct flight training under three different meteorological conditions. The deepening of the reform of flight training system and the attachment of strategic importance to flight teaching and training have guaranteed the implementation of the training policies formulated by the Central Military Commission. The number of first-class air arm regiments representative of the combat effectiveness of the PLA Air Force, has now been doubled. The firing and bombing skills of pilots have also been improved. The technological training of the ground units of the Air Force has reached a new level and now the airborne units have greatly strengthened its mobility and combat effectiveness and can land in any place and fight battles immediately after landing. The various units have also actively made efforts to develop their simulated training equipment, such as simulated mechanical equipment, simulated laser equipment, and simulated electronic equipment, have turned technological simulation into tactical simulation, and have developed both simulators designed for combatants and simulators designed for commanders. Now the number of planes ranks third in the world. In order to reduce flight accidents, all PLA Air Force organs and units have adopted the following eight measures aimed at comprehensively harnessing the problem, such as "steady progress," "flight and readjustment," and so on. Over the past 10 years, the flight safety record has been among the best in the world.

Political Commissar Zhu Guang said that the PLA Air Force has always attached great importance to the revolutionization, modernization, and regularization of its units. In light of the combat effectiveness of its flight personnel, the Air Force has set forth the following eight quality requirements on its flight personnel, including "lofty ideals, moral integrity, breadth of vision, rich knowledge, professional competence, strict disciplines, staunch style, and good health" with a view to improving the quality of its pilots. Now all the pilots have had college education or above.

Political Commissar Zhu Guang said that in order to enable all Air Force officers and soldiers to firmly adhere to a correct political orientation, the CPC committees at all levels of the PLA Air Force have practically redoubled their efforts to strengthen party building, especially the building of the CPC organizations at the grass-roots level, strengthen ideological and political work, and adopt a clear-cut stand in adhering to the four cardinal principles and opposing bourgeois liberalization with a view to politically, ideologically, and organizationally ensuring the absolute CPC leadership over the PLA Air Force. Under the new conditions of reform, opening up to the outside world, and developing the socialist commodity economy, the broad masses of officers and soldiers have withstood all types of tests. Especially, in the recent struggle aimed at ending the turmoil and suppressing the counterrevolutionary rebellion, the CPC committees at all levels and the broad masses of the officers and soldiers were able to adopt a firm and clear-cut stand, keep firmly in line with the CPC Central Committee ideologically, politically, and in action, and maintain a high degree of stability and centralized unity, thus withstanding the rigorous test of the recent political upheaval and successfully accomplishing the tasks given by the Central Military Commission and the PLA headquarters. Because its achievements, the PLA Air Force was commended by the CPC Central Committee and the State Council and by the leading comrades of the CPC Central Commission and the PLA headquarters, thus adding a glorious chapter to the history of the PLA Air Force.

Commander Wang Hai and Political Commissar Zhu Guang unanimously held that the People's Air Force must firmly adhere to the principle of "The party commanding the Army," resolutely obey the orders of the CPC Central Committee and the Central Military Commission, and make redoubled efforts to build the PLA Air Force into a great wall of steel loyal to the CPC, the people, and the motherland in the sky.

#### **Army Practices Cultural Rectification**

HK0911133989 Beijing JIEFANGJUN BAO  
in Chinese 28 Oct 89 p 1

[Report by Chen Xianyi (7115 0341 5030): "Initial Achievements Made in Cleansing Cultural Environment in Army Barracks"]

[Text] This reporter has recently learned from the relevant department of the General Political Department that the whole Army has achieved initial results in sorting out books, newspapers and magazines, and audio-video tapes and purifying the cultural environment in barracks.

Not long ago, the general office of the CPC Central Committee and the State Council General Office jointly issued a "Notification on Sorting and Straightening Out the Market for Books, Newspapers and Magazines and for Audio and Video Tapes, and Cracking Down Hard

Upon Criminal Activities," making further arrangements about how to handle this work well in a penetrating manner. After the receipt of this notification, the leadership of the General Staff Headquarters attached great importance to the matter. The General Political Department immediately issued a notification to the whole Army on how to uphold the spirit of the CPC Central Committee and the State Council and properly sort and straighten out books, newspapers and magazines, and audio-video tape recordings. The notification pointed out that the sorting out of books, newspapers and magazines, and audio-video tape recordings is an important task on the ideological front at present, an important part of the spirit of the 4th Plenary Session of the 13th CPC Central Committee, and an important measure to strengthening the building of socialist spiritual civilization. Various Army units are called upon to seriously carry out this work on a solid basis. The notification stressed that the Army's task of sorting and straightening out books, newspapers and magazines, and audio-video tape recordings must be guided by the spirit of the 4th Plenary Session of the 13th CPC Central Committee, with emphasis laid on positive education. Through the process of sorting and straightening things out, everyone was able to realize the harm, increase one's discerning power, and consciously resist the spread of "spiritual poison." Meanwhile, regulations were laid down about the concrete policy for sorting and straightening things out.

In line with the spirit of the central and General Political Department notifications, the Beijing, Shenyang, Guangzhou, Nanjing, Chengdu, Jinan, Lanzhou, and other military regions, and the Navy, the Air Force, the Second Artillery Unit, the Commission of Science and Technology, and other units have recently successively called meetings in different forms to make concrete arrangements and plans about how to combine the reality of Army units with the firm implementation of the central and General Political Department notifications. Everyone holds the view that since the 3d Plenary Session of the 11th CPC Central Committee, the situation concerning the publication and management of Army books, newspapers and magazines, and audio-video tape recordings has generally been satisfactory. But due to the influence of the social environment, some unhealthy books, newspapers, magazines and audio-video tape recordings have found their way into army units through different channels. A small number of people have passed on and secretly treated themselves to pornographic books, newspapers and magazines, or obscene audio-video tape recordings. Some have thus been corrupted and led astray. Therefore, it is entirely necessary for Army units to start setting things straight. This should be taken as an important task in upholding the four cardinal principles, opposing bourgeois liberalization, and strengthening Army building in the new period. It must be tackled well in a realistic manner. In light of the actual conditions of Army units, the current effort toward sorting and straightening things out has concentrated on the following three aspects: 1) Things

about publishing units (including printing houses) have been looked into. The relevant departments in various fields of the General Political Department have organized joint work groups to head separately for some publishing houses and newspaper and periodical presses of Army units to get at the bottom of things in investigations. When periodical press or a publishing house is found to have run afoul of publishing control regulations and published some books and magazines that should not have been put out, immediate measures are taken to deal with the matter accordingly. 2) Libraries at and above the regiment level are subject to overall purification. Guangzhou, Nanjing, Jinan, and coastal areas in which naval forces are placed have a relatively large number of unhealthy media in circulation. The units there, true to the spirit of the notification of the General Political Department, have formulated strict purification measures, with one unit after another put in order. Of Army units' newspaper and magazine subscriptions, those packed with descriptions of erotic behavior, sexual acts, murder, violence and feudal superstitions are resolutely cut off. Concerning those books and magazines prohibited in publicly announced decrees, resolute measures are taken to take them back. 3) Control is exercised over the publication, reproduction and copying of audio-video tape recordings and over those units in charge of wired television systems. Those units broadcasting or recording programs having to do with obscene subjects, erotic behavior, murder, violence and feudal superstitions are investigated and reorganized. With attention given by the leadership of various Army units to the matter, unhealthy reading matter and audio-video tape recordings strictly banned by the central authorities have basically been sorted out in Army units.

Sorting and straightening out books, newspapers and magazines, and audio-video tape recordings is a task involving a wide area and having much to do with policy. We must not only take a resolute attitude but also pay strict attention to policy, seriously working on the scope and the focus of work defined by the central authorities. Beijing, Shenyang, Chengdu, Lanzhou, and other Army units have studied concrete measures in this regard and have strictly guarded against banning what is not in the reactionary category as something reactionary and against labeling obscene that which is not. We must refrain from improperly interfering with the legitimate personal tastes and cultural interests of cadres and fighters. Concerning those fighters who really expose themselves to reading matter which is obscene and erotic in nature, or have such material in their possession, we must take the stand of giving them positive education and helping them wake up. On the basis of ideological work having been done sufficiently well, we must arouse them to part with this reading matter.

While doing a good job of sorting things out, various Army units, in line with the central demand for "paying simultaneous attention to sorting things out and promoting prosperity," have actively launched healthy and wholesome cultural activities. They have strived to do

more concrete things in building the basic-level culture. In line with the actual situation of its Army units being placed in the Northwest and relatively scattered, the Lanzhou Military Region has established in most of the Army units at and above the division level soldiers' spare-time troupes working alternately on a concentrated and scattered basis. It has also launched "Sing 100 revolutionary songs" activities in company units throughout the region. Meanwhile, personnel devoted to writing and creation in special fields are summoned to concentrate on studying relevant documents from the central authorities and the General Political Department. They are encouraged to provide Army units with more and better nourishment for the mind and nourish our Army units with "high protein." At present, many writers in the region are going deep into the midst of Army units to actively do coverage and writing. The Jinan Military Region specially appropriated 500,000 yuan for book purchases for the benefit of company units. Meanwhile, the Huanghe Publishing House of that military region also provided company units with some choice reading matter at special prices. Guangzhou, Nanjing, the Second Artillery Unit, and other units also appropriated some money for the purchase of books and cultural and athletic equipment for basic-level company units. Various units of the whole Army, while seriously striving to do a good job of sorting and straightening out books, newspapers and magazines, and audio-video tape recordings, have universally launched reading activities in various forms, including the reading of books, recommendation of books, making of speeches based on books read, commentary on books, solicitation of articles, and so forth. A healthy trend of doing more reading and reading good books has appeared in Army units.

#### **Political Cadres To Increase Military Study**

*HK1011080689 Beijing JIEFANGJUN BAO in Chinese  
27 Oct 89 p 2*

["Military Affairs Observation" column by Hong Jiade (3163 1367 1795): "Master this Required Course"]

[Text] It is an excellent tradition of our Army that political work cadres study and understand military affairs. However, judging from the actual situation of some troops, this excellent tradition has not been carried forward very well. Some grass-roots officers in charge of political work cannot measure up to the standard of training in the common subjects of military affairs and fool around during ordinary training. Some officers of the political organs do not know how to use maps and do not know the elementary knowledge of tactics and a campaign, and can only watch exercises rather than participate in them. Such a situation directly affects the appeal and persuasive power of political work.

There are many reasons for the political work cadres' lack of military knowledge. In ideological understanding, some comrades hold that it will work if political work cadres can write and have the gift of gab, and some individual comrades even erroneously believe that if

political work cadres learn military affairs and receive related training, they can "farm on other people's farmland and leave their own uncultivated." Judging from the source of the political work cadres of some units, many comrades have not strictly learned military affairs and received military training. Some units lack a unified plan for political work cadres' study of military affairs. Even if they have made arrangements, their study is often affected by their routine work. What should be especially pointed out is that while appraising the work of the political organs, some leaders frequently pay attention to how much information they have written to their superiors, how much experience has been transmitted by this information, and how many articles have been published on newspapers but neglect the effective work done by them, centered on the troop military training. In the promotion and employment of political work cadres, they also do not attach importance to the examination of their military quality.

Learning military affairs is a required course for the political work cadres. If they do not understand military affairs, they do not know how to make political work run through the military work and are unable to solve the problem of "politics and profession" in the military and political aspects. The basic aim of the political work cadres' study of military affairs is to give better play to the role of the political work in serving and guaranteeing military training. Leaders at all levels must, therefore, not only enthusiastically help the political work officers study military theory but also pay attention to guiding them in applying the knowledge these officers have learned in practice so as to enhance their practical abilities. According to the investigation of the military quality of some political work cadres, it is extremely important to enhance the following three kinds of ability: The first is the ability to organize command. They must be familiar with the functions and methods of use of the main weapons of their own units, know the tactics and technology at their level, know and use maps, know the organization of command, and ensure that they can organize training for the troops in peacetime and command the troops to win a battle in wartime. The second is the ability to observe problems. They can promptly discover and correct the mistakes existing in the troop's military training and really do the ideological and political work in every item and link of training and to everybody under training. The third is the ability to mobilize the masses. They must be good at arousing everyone's enthusiasm for military training and guaranteeing that the troop conducts training in a down-to-earth way and effectively. The political organs at all levels should attach importance to the investigation of these abilities and encourage political work cadres to learn and know military affairs so that the consistent excellent tradition of the military and political organs of our Army can be fostered even better in the new situation.

#### **JIEFANGJUN BAO on Handling Retired Staff**

HK0911063589 Beijing JIEFANGJUN BAO in Chinese  
26 Oct 89 p 1

[Report by Li Taiwen (7812 1132 2429): "General Political and Logistics Departments Issue Circular Calling for

Properly Solving Problems in Current Treatment and Management of Retired Military Staff Personnel"]

[Text] In the first part of October, the General Political Department and the General Logistics Department issued a circular calling for properly solving problems in the current treatment and management of retired Army unit workers.

In the past few years, some of the workers in Army organs and institutions have left or retired. They have long worked in Army units making positive contributions to the national defense cause and Army building. After their retirement, they should be properly resettled. But for various reasons, their resettlement problem has still not been properly solved. Some rules about their treatment are not defined clearly enough. The leadership of the Military Commission and the General Staff Headquarters has shown great concern and ordered relevant departments to study and draft resettlement measures. Before the promulgation of new resettlement measures, the General Political Department and the General Logistics Department have issued a circular on the problems that require urgently solution in the current treatment and management of retired workers. The circular says: Retired Army unit workers (not including workers in factories run like enterprises) should all be respectively treated in their political activities and everyday life according to relevant regulations set by the State Council and the relevant departments of provinces, autonomous regions and municipalities directly under the central government for retired cadres of state organs and institutions. Those who enjoy military service allowances may continue receiving these allowances, which may be included in the base for their retirement benefits. Before their resettlement, retirees are still managed by the original units. The leadership at various levels, and relevant departments are called upon to show concern and care for them in their political activities and everyday life, and to properly manage and serve them and issue them with "Certificates of Honor for Retired Veteran Cadres" and "Certificates for Retired Cadres."

#### **Military Commission Meeting Stresses Discipline**

OW1511174189 Beijing XINHUA Domestic Service  
in Chinese 1307 GMT 15 Nov 89

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 15 Nov (XINHUA)—At an enlarged plenary meeting of the Central Military Commission Discipline Inspection Commission, which ended here today, it was stressed that under the new circumstances the discipline inspection work in the whole Army should be aimed at developing good party spirit and discipline to ensure the implementation of the major policy decisions of the party Central Committee and the Central Military Commission and to guarantee that our Army is forever qualified politically.

Leading comrades, including Vice Chairman Liu Huaqing, Secretary General Yang Baibing, and Hong

Xuezhi, Chi Haotian, and Zhao Nanqi, members of the Central Military Commission, met with comrades participating in the meeting. Liu Huaqing praised the Army's great achievements in its discipline inspection work, which he said have had a very good effect on developing political education, ensuring incorruptibility, and improving party style.

Addressing the meeting, Guo Linxiang, secretary of the Central Military Commission Discipline Inspection Commission, relayed the guidelines of the 5th Plenary Session of the 13th CPC Central Committee, the enlarged meeting of the Central Military Commission, and the 5th Plenary Session of the Central Discipline Inspection Commission. He delivered a report entitled "Strengthen Party Discipline Inspection Work in the Army and Ensure That Our Army Is Forever Qualified Politically." He said: The 5th Plenary Session of the 13th CPC Central Committee made the important policy decision to further improve the economic environment, rectify the economic order, and deepen reforms. The Central Military Commission enlarged meeting put forth the guiding ideology for our Army's work next year. Ensuring the implementation of the above important policy decision and principle is not only an economic and military task, but also a political issue. Party organizations at all levels and all Communist Party members should enhance their party spirit, strictly abide by discipline, strengthen discipline supervision within the party, and take the initiative to carry out the principles, policies, and resolutions adopted by the party Central Committee, the State Council, and the Central Military Commission. They should maintain the leading authority of the central organs and the Central Military Commission and resolutely oppose decentralism and the practice of each going his own way.

Guo Linxiang stressed that to uphold the party's absolute leadership over the Army and ensure that our Army is forever qualified politically, the discipline inspection commissions at all levels are faced with a new higher demand. He said: The task before us is rather arduous, and the responsibility on our shoulders is heavy. The discipline inspection commissions at all levels and the vast number of discipline inspection cadres must heighten their revolutionary spirit and boldly take up this glorious task.

Reviewing the Armed Forces discipline inspection organs' work over the past year, the plenary meeting pointed out: Discipline inspection commissions at all levels in the Armed Forces have accomplished a great deal of work in carrying out relevant decisions and instructions of the party Central Committee, the Central Military Commission, and the Central Discipline Inspection Commission; in safeguarding the party's political discipline; and in improving the conduct of party members to whom performing their duties honestly is important. During the struggle to stop upheavals and suppress the counterrevolutionary rebellion, Armed Forces discipline inspection commissions acted firmly

and unequivocally in upholding party principles, and they withstood a formidable challenge.

It was pointed out at the meeting: The Armed Forces' most important mission is to make sure that they are always up to standards politically. This mission is a major project of political construction confronting the Armed Forces today. Discipline inspection commissions at all levels must act courageously to handle this major project as the most important assignment, and do their work actively around the mission of making sure that the Armed Forces can always measure up politically. They must ensure good conduct and discipline among party members so as to guarantee the implementation of the line, principles, and policies of the party as well as the decisions, directives, and orders of the Military Commission. They must guarantee a high degree of stability and unity of the Armed Forces, and guarantee that the Armed Forces are always up to standard politically.

The meeting said that Armed Forces' discipline inspection organs must pay special attention to the following six projects from now on: 1) They must strictly enforce the party's political discipline, making sure that the Armed Forces are in unity with the party Central Committee ideologically and politically; 2) they must promote the concept of the whole in the Armed Forces and use iron discipline to ensure the successful implementation of all major decisions of the party Central Committee and the Central Military Commission; 3) they must firmly promote administrative honesty and good party conduct in the Armed Forces; 4) they must firmly adhere to the principle of handling party affairs strictly and seriously handle all cases of lack of discipline among party members; 5) they must attach importance to discipline inspection at grass-roots units to make sure that the work of stabilizing the Armed Forces [wen ding bu dui de gong zuo 4489 1353 6752 7130 4104 1562 0155] can be implemented in the grass-roots units; and 6) they must make themselves stronger so that they can fully discharge their responsibilities.

#### Column Opposes 'Command by Directive' Training

HK0811150689 Beijing JIEFANGJUN BAO in Chinese  
24 Oct 89 p 2

["Military Affairs Observation" column by Ma Guangwu (7802 0342 2976) and Liu Fengming (0491 7685 7686): "This Practice of 'Entrustment' Is Undesirable"]

[Text] Recently we went to a certain Army company, which was just conducting military training. We looked around and could not find the company commander. A platoon leader told us that the company commander had entrusted him with organizing this week's military training. When chatting with others, some squad leaders also said that when the platoon leaders had something else to do, they also often "entrusted" them with training tasks. It was said that this was a method of "command by directive" they had learned from foreign armies.

The method of "command by directive" was put forth and first used in fighting by Von Moltke, chief of staff of the Prussian Army in the second half of the 19th century. The core of this method was to give the fullest play to the enthusiasm, initiative, and flexibility of subordinates. In fighting, except for definite tasks and times and necessary forces and weapons, there were no hard and fast rules on the measures and channels for completing tasks. This method was highly valued by many countries after World War II. However, we think it is unwise to transplant it to the field of training. Military officers at various levels are direct organizers, teachers, and quality controllers of military training. In military training, it is necessary to emphasize that each should perform his duties well and that the cadres at all levels should personally go to the training ground and set good examples in training. The cadres must pass on their good ideas and style and good technology and tactics while increasing their own quality through practice. All this cannot be "entrusted" to others.

In peacetime, military officers must concentrate their efforts on grasping military training. Naturally, the training ground is a command position of military officers. The "command by directive" may be an effective method of command in fighting, which is based on the commander's full understanding of his subordinates. But the "command by directive" divorces the trainers from the trainees. As a result, soldiers may lose the opportunity to obtain concrete guidance and both officers and men may lose the opportunity to "know themselves" well. Under peacetime conditions, when military contest is changed from a contest in face-to-face fighting with bayonets into a contest in the quality of training, it may be appropriate to say that the contention for the initiative in future wars has also become contention for the initiative on the training ground. In view of this, the "command by directive" is but an expression of dereliction of duty by commanders.

#### **Integrated Equipment Firm Begins Operation**

HK0811131989 Beijing JIEFANGJUN BAO in Chinese  
25 Oct 89 p 1

[Report by Xu Zhimin (6079 1807 2404) and Ying Mingyang (2019 2494 7122): "China's First Integrated Military Equipment Company Set Up in Nanjing"]

[Text] Nanjing, 24 Oct—Our country's first multifunctional integrated company devoted to military equipment research, production and trading was inaugurated in Nanjing today.

The "Zhongshan Group Defense Equipment Company" formed by 19 units, including the Ministry of Machine-building and Electronics Industry, the Ministry of Aeronautics and Astronautics Industry, the China Shipping Industrial Corporation, and so forth mainly handles large-sized military electronic systems projects at home and abroad, including various radar, navigational and communications equipment used by land, naval and air

forces for military purposes. It is the first time that an integrated company encompassing several industries and areas has been established in our country in the field of military equipment research and production.

The research and manufacture of large-sized military equipment is a complicated task. It calls for cooperation from various industries and departments in tackling difficult problems. The war industry-related units in question were previously involved in launching our country's various satellites and guided missiles. They had also undertaken the research and manufacture of some important electronic equipment thereof. They have a relatively strong capacity for scientific research and production. Relevant ministries and commissions under the State Council recently approved the establishment of this company. The aim is to give further play to the superiority of war production enterprises as a group in their horizontal integration, and to make wholesome attempts in improving war industry-related scientific research, production and management.

#### **Editor Stresses Personnel Retention**

HK0811133389 Beijing JIEFANGJUN BAO in Chinese  
26 Oct 89 p 1

[Editor's Postscript: "Grow 'Chinese Parasol Trees' Well"]

[Text] The proper handling of Army modernization requires a large number of skilled personnel. Given the continuous development of the commodity economy and in the changes taking place in people's sense of values, can barracks retain talent? Experience of the No. 251 Hospital of the Beijing Military Region has provided us with a very good answer.

Some units have suffered from a serious loss of talent. The leaders there always complain that the relevant units are poorly circumstanced and can provide few actual benefits that attract talent. They have failed to look for subjective causes. As an ancient saying goes, a home with a Chinese parasol tree can attract phoenixes. The key to whether a unit can retain skilled personnel lies in whether the leadership shows actual concern and care for skilled personnel and has directed efforts to properly growing "Chinese parasol trees" capable of attracting and retaining talent. Comrades trained in various fields in Army units crave for a "Chinese parasol tree" that allows them to do something and contribute their wisdom and talents to Army building. This is a manifestation of their consciousness and also a need in properly handling Army building. Striving to create such an environment for them is an unshirkable responsibility of leadership comrades.

#### **First Vessel Identification System Developed**

OW0511060289 Beijing Television Service  
in Mandarin 1400 GMT 24 Oct 89

[From the "Night News" program]

[Text] [Video opens with medium closeup shots showing an unidentified person explaining to some officers and officials the images of ships appearing on a color television screen. Hanging on the wall behind the monitor are pictures, charts, and diagrams with and receivers and other equipment next to monitor. Video then carries distant shots of six or seven speedboats in the sea, before cutting to show a radar tracking system comprised of several large and smaller dish antennas. Images of military and civilian vessels on the screen of the television monitor are then shown. Video ends with closeups of some unidentified military officers and civilian officials sitting at a long table, and an officer reading a speech from prepared notes. When the camera zooms backward to show a fuller view of the meeting, a red streamer with these characters are seen: "Meeting of the State Commission of Science, Technology and Industry for National Defense for Appraising the Radar System for Identifying Military and Civilian Vessels"] China's first radar system for identifying military and civilian vessels was developed successfully recently. The system was approved at an appraisal meeting held in Beijing on 24 October. Dedicated by teachers, students, scientists, and technicians of the University of Science and Technology for National Defense, the system will from now on serve as a guardian watching the nation's 1,000-li coastal areas.

The system to identify military and civilian vessels is an extremely difficult technology. It shows that China is now among the industrially advanced countries in the world in the research connected with identifying military and civilian vessels. It also shows that China now has effective and automatic technical equipment for guarding China's territorial waters and guiding incoming vessels.

#### Article Urges Highway Construction for Defense

JK1511055989 Beijing RENMIN RIBAO in Chinese  
12 Nov 89 p 5

[Article by Fang Jixiang (2455 0679 4382) of the Military Transportation and Traffic Department of the General Logistics Department of the People's Liberation Army: "Enhance Construction of Highways for National and Frontier Defense"]

[Text] Over the past 40 years since the liberation, great achievements have been made in our construction of highways for national and frontier defense. But this still cannot satisfy the needs of the modernization drive in national defense.

In order to enhance the construction of highways for national and frontier defense, it is necessary to take the overall situation of national economic construction into consideration and work out an overall plan in accordance with the principle of "making overall planning, stressing the main points, giving consideration to both wartime and peacetime, and having our eyes on the future."

At present, a fundamental factor restricting the development of communications is the shortage of funds. To solve this problem, apart from giving certain preferential treatment according to policy, a fundamental method is to extend the scope of investment. For many years in the past, the investment in the construction of highways for national defense only made up 1.1 percent of the total investment in the construction of transportation and traffic facilities. This percentage is even dropping recently. Due to a price increase and other factors, we can only build 200 km of highways for national defense a year. Thus we are unable to satisfy the needs of enhancing construction of highways for national and frontier defense, and the gap is growing larger and larger. For this reason, we have proposed that the state increases the investment in this construction.

It is necessary to continue to implement the policy of "giving consideration to both peacetime and wartime and the interests of both the Army and the civilians." We have achieved certain development in the construction of transportation and traffic facilities for national defense over the past years. This is because the departments concerned at all levels have conscientiously implemented this policy. When working out an overall plan for highway construction, we must solicit opinions from the Army and bring the construction of highways for national defense into line with the plans of relevant government departments. We must make a rational arrangement and give priority to those projects needed both at peacetime and wartime. The construction of those projects that do not yield high economic returns at present can be postponed. As to those that are needed but are unable to be built immediately during wartime, we must make necessary preparations for their construction and start building when conditions allow. Under the current conditions, it is unnecessary and impossible to build all the projects needed at wartime in a short period of time. But it is necessary to look into the future and work out an overall plan.

Attention should be paid to both construction and maintenance, and the maintenance force should be strengthened. In the construction of highways for national defense, it is necessary to implement the policy of "paying attention to both construction and maintenance." Especially, in the construction of highways for frontier defense, it is necessary to strengthen the maintenance force. In some remote and frontier areas, due to the sparse population, the poor natural conditions, and some man-made obstacles, highway maintenance is always a weak link. It is necessary to adopt suitable measures in light of the local conditions to solve this problem. The method of a mechanized highway maintenance team adopted by the Inner Mongolia Autonomous Region is a good method for other border provinces and regions to learn. The departments concerned are now summing up their experiences.

### Jinan Region Stresses Party Line, Marxism

HK1011112089 Beijing RENMIN RIBAO in Chinese  
3 Nov 89 p 4

[XINHUA report by Wang Zhiyun (3769 1807 5089) and Tan Daobo (6223 6670 0590): "Jinan Military Region Runs Rotary Training Sessions for Intermediate and Senior Cadres To Acquire Better Understanding of the Party's Basic Line and Marxist Theories"]

[Text] Focusing on how to better uphold the party's basic line and study Marxist theories in practice, the Jinan Military Region of the People's Liberation Army [PLA] has run training classes in rotation for its intermediate and senior level officers.

While organizing the leading cadres at various levels in doing well in-service training, the military region party committee ran training classes in rotation for intermediate and senior level officers from the beginning of this year to systematically study relevant Marxist philosophical works and the theories of Deng Xiaoping and the revolutionaries of the elder generation on building socialism with Chinese characteristics; dialectically, historically, and comprehensively master the essence of the party's basic line in the initial stage of socialism; and overcome blindness and subjective will.

To date, the training class has been run three times and more than 400 division and brigade level officers have undergone training in rotation. Through the training, the officers acquired a better understanding of major principle issues such as "Why must China choose the socialist road instead of the capitalist one," "Why must Chinese revolution and construction be led by the Communist Party," and "Why is reform and opening up a historic choice?"

In the course of studying theories, the intermediate and senior level officers earnestly examined their practical

work. They realized the necessity of resolving the following problems: First, it is necessary to overcome subjective onesidedness and metaphysics in publicizing and implementing the party's basic line. There is a great deal to be learned in this regard. For example, when some comrades want to explain the superiority of socialism, they describe it as absolutely perfect, as if reform is unnecessary, and while stressing the necessity of reform, they describe socialism as devoid of any merit. Here is another example, after negating the concept "taking class struggle as the key link," some comrades totally ignore "class struggle existing within a certain scope" and they are not yet awakened until the outbreak of the turmoil and counterrevolutionary rebellion. All this shows that mastery of a scientific world outlook and methodology is the ideological foundation for correctly implementing the party's basic line. We must make great efforts to solve this problem. Second, it is necessary to put the party's basic line at the center of all undertakings. The intermediate and senior level officers of the party should particularly have the overall situation well in hand and be sober-minded. Third, it is necessary to increase unity between the officers of the party and government, of the government and enterprises, and of the Army and government; delegate the work and cooperate with one another; and ensure that the party's basic line runs through all specific work. We should continue the good system in this regard that has taken shape over the decades. We should also explore new and effective systems. On the question of implementing the party's basic line, we should never allow the practice of each going his own way.

The training classes run in rotation by the Jinan Military Region for intermediate and senior level officers enormously increased their awareness in implementing the party's basic line. At present all units of the region are studying the spirit of the 4th Plenary Session of the 13th CPC Central Committee. Military training, production, and construction of the Army have also developed accordingly.

## East Region

### Fujian Begins 'Tilting' Enterprise Policy

HK0711113089 Beijing RENMIN RIBAO in Chinese  
28 Oct 89 p 1

[Dispatch by reporter Zhang Mingqing (1728 6900 3237): "Fujian Province Adopts a Policy of Tilting Toward Large and Medium-Sized Enterprises"]

[Text] Fuzhou, 27 Oct.—In light of the present difficulties faced by large and medium-sized state enterprises, the Fujian Provincial Government has decided to carry out a tilting policy in terms of funds, credits, energy, raw materials, and investments, and worked out a 16-point regulation to support the development of these enterprises.

In terms of credit funds, 20-25 percent of the total industrial and transport credit amount will be concentrated on selected enterprises. The banks will make preferential arrangements for the normal circulating funds needed by these enterprises, assign, under certain conditions, credit targets for the purchase of raw and supplementary materials needed for the production of mandatory products, and selectively support credits for technological transformation projects. With the approval of banks, key enterprises may borrow money on a day-to-day basis and develop short-term money markets. The production and circulating fund of key enterprises will be reexamined and fixed, and enterprises may make up for the shortfalls by drawing 10-30 percent of the production and circulating funds annually.

With regard to products under mandatory planning, the planning and material departments should assign planned targets for principal raw and supplementary materials to key enterprises and settle accounts promptly according to the actually supplied quantities. With regard to products manufactured from raw materials purchased at negotiated prices, key enterprises are allowed to sell them at negotiated prices. The provincial material department should annually allocate 50 percent of production and development fund for setting up material supply bases and give preferential treatment to key enterprises in the supply of materials. In organizing sources of raw and supplementary materials within the plan, purchasing those materials outside the plan which are in short supply, and selling overstocked products, key enterprises may institute a single-item contract method among supply and marketing personnel and implement the contracts according to the stipulations on rewards and punishments. In the case of key enterprises using electricity during off-peak hours, they may draw 40 percent of the price differences to purchase night-shift supplementary facilities and to subsidize workers and staff members. Fifty percent of the provincial budget for the tapping of enterprise potential, renovation, and transformation should be used in key enterprises. Key enterprises may use 0.3 percent of their sales income for new product development.

Some large and medium-size enterprises vital to the national economy and people's livelihood have separate listings in the state plan and the planned targets will be directly assigned to them. In the new round of contracted management of large and medium-size enterprises, all or most of the profits in excess of the base level are to be retained by the enterprises of which, 80 percent should be used to develop production and repay debts. The departments in charge of enterprises and administrative companies are not allowed to collect regulatory funds, management charges, and so on from enterprises under their jurisdiction.

### Criminals Surrender to Jiangsu Authorities

OW0611204189 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 3 Nov 89

[Text] From 15 August to 31 October, 1,611 criminals voluntarily surrendered themselves and confessed their sins to procuratorial organs. They met the deadline set by the Supreme People's Court and the Supreme People's Procuratorate circular urging criminals who embezzled public funds, took bribes, or engaged in speculative profiteering to surrender themselves and confess their sins to the authorities within the prescribed time. Their crimes involved some 18.08 million yuan according to the confessions. Some ill-gotten money and goods were recovered, including some 12.39 million yuan in cash and a number of expensive electric appliances and jewelry.

Thirty-two party and government cadres and 15 cadres of the county department level are among the criminals. A breakdown of those who surrendered themselves to procuratorial organs reveals that 317 in Suzhou City, 217 in Yangzhou, 179 in Yancheng, and 146 in Nantong turned themselves in.

### Jiangsu Financial Irregularities Uncovered

OW0611154089 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 3 Nov 89

[Text] A meeting on summing up the results of the first stage of the provincial taxation, finance, and commodity price general inspection closed in Nanjing today.

The meeting pointed out: Remarkable achievements were made in the preceding stage of the provincial general inspection. The inspection uncovered financial irregularities involving 235 million yuan, of which 95.48 million yuan should be turned in to the treasury. The first stage of the general inspection showed that some enterprises and institutions were engaged in such irregularities as tax evasion, padding costs, retention of excessive profits, setting up treasuries without authorization, being in arrears in handing over public funds, unauthorized price increases, and unauthorized collection of fees.

The responsible person of the office of the provincial taxation, finance, and commodity price general inspection pointed out that although certain achievements were made in the preceding stage of the general inspection, the self-inspections were not as thorough and widespread as the provincial government had demanded. He called on all city and county governments to see to it that enterprises which conducted self-inspections perfunctorily make it up. He urged the city and county governments to strictly follow relevant policies and regulations in investigating and handling any problems uncovered during the inspection.

### **Jiangxi Congress Standing Committee Meets**

OW0511184289 Nanchang Jiangxi Provincial Service  
in Mandarin 1100 GMT 27 Oct 89

[By reporter (Si Yin) and correspondent (Li Taitong);  
from the "Provincial Hookup" program]

[Text] The 11th Session of the Standing Committee of the 7th Jiangxi Provincial People's Congress opened this morning in Nanchang. The current Standing Committee has 45 members, 40 of whom checked in for this session, making a quorum.

The agenda unanimously adopted by the participating members includes: 1) examining and discussing the revised draft detailed provisions governing the election of deputies to people's congresses at various levels in Jiangxi Province; 2) examining and discussing the revised draft regulations on the protection of the legal rights and interests of women and children in Jiangxi Province; 3) examining and discussing the provisional regulations formulated by the Nanchang City People's Congress Standing Committee on control over cultural markets; 4) examining and discussing the draft resolution on the dates of election of deputies to county and township People's Congresses in Jiangxi Province; 5) examining and discussing the draft resolution of the Jiangxi Provincial People's Congress Standing Committee on abolition of the Jiangxi Provincial Election Committee; 6) hearing the report by the Jiangxi provincial leading group for screening and consolidating companies on the work done to screen and consolidate companies in the province; 7) hearing the report by the provincial Judicial Department on propaganda and education conducted in the province with regard to the legal system, with the Constitution as the basis; 8) hearing the report by the provincial People's Procuratorate on efforts made by the procuratorial organs in the province to implement the circular of the Supreme People's Court and the Supreme People's Procuratorate; 9) hearing the report by the provincial Science and Technology Commission on the development of science and technology in the service of agricultural development; and 10) appointments and removals of personnel.

This morning's meeting was presided over by Xu Qin, chairman of the Standing Committee of the provincial People's Congress. Vice Chairmen Pei Dean and Huang

Xiandu were among those attending the meeting. Secretary General (Zhang Zhengang) explained the agenda of the session.

At the meeting the participants heard an explanation given by (Hu Dezu), chairman of the Legislative Affairs Commission of the provincial People's Congress Standing Committee, on the revised draft detailed provisions governing the election of deputies to People's Congresses at various levels in Jiangxi Province; an explanation by (Luo Tongsheng), vice chairman of the Legislative Affairs Commission, on revised draft regulations on protection of the legal rights and interests of women and children in Jiangxi Province; and a report by (Zhao Zong), vice chairman of the Education, Science, Culture, and Public Health Committee of the provincial People's Congress, on the examination of the provisional regulations on control over the cultural markets in Nanchang City.

Present at this morning's meeting as observers were Qian Jiaming, vice governor of the Jiangxi Provincial People's Government; as well as responsible people from the provincial Higher People's Court and the provincial People's Procuratorate; responsible comrades from various work committees and regional liaison offices of the Standing Committee of the provincial People's Congress; and responsible comrades from the standing committees of the people's congresses of cities directly under the province.

Responsible people from mass organizations and democratic parties were also invited to the meeting as observers.

### **Jiangxi Economic Criminals Confess Before Deadline**

OW0611233389 Nanchang Jiangxi Provincial Service  
in Mandarin 1100 GMT 4 Nov 89

[Text] During the period between the promulgation of the joint circular of the Supreme People's Court and the Supreme People's Procuratorate and the 31 October deadline, 1,366 economic offenders voluntarily surrendered themselves to the procuratorial agencies in various parts of the province. The amount of illegal income they received totaled 8.62 million yuan, of which 6.65 million yuan were returned to the authorities.

The provincial party committee, the Standing Committee of the provincial People's Congress, and the provincial government attached great importance to the task of implementing the joint circular of the Supreme People's Court and the Supreme People's Procuratorate. The principal leading comrades received briefings on numerous occasions and held two telephone conferences and a meeting of responsible persons of provincial departments to mobilize the people and make appropriate arrangements. Party committees of various cities and counties also launched large-scale propaganda and mobilization campaigns. In addition, they actively

helped procuratorial agencies resolve the shortages of funds needed to conduct the propaganda campaign and investigation.

The masses of people in our province vigorously supported the implementation of the joint circular. Procuratorial agencies in various parts of the province received a total of 5,376 accusations from the masses during this period, 3 times as many as in the previous 2 and 1/2 months. After investigating the crimes committed and verifying the evidence presented, the procuratorial agencies decided not to prosecute 113 criminal elements as a gesture of leniency in return for their confessions. In coordination with departments concerned, they held 126 meetings to announce leniency for these criminal elements.

Twelve percent of the confessed crimes were big or major criminal cases. Of the people who voluntarily surrendered themselves to the authorities, 141 were involved in crimes worth more than 10,000 yuan, 27 were cadres at county level, and 702 were involved in social crimes, accounting for nearly 50 percent of the crimes confessed. Procuratorial agencies in various parts of the province are still investigating and verifying the crimes committed by those who voluntarily surrendered themselves to the authorities.

### Shandong To Arrange People's Congress Elections

SK0811061189 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 7 Nov 89

[Text] The provincial conference on end-of-term elections of county and township People's Congresses was held in Jinan from 4 to 7 November.

The main task of the conference is to make arrangements for the end-of-term elections of county and township People's Congresses in 1990. According to the rules set forth in the Constitution and the Election Law, the county and township People's Congresses are elected for a 3-year term. The People's Congress of counties and townships that were elected in 1987 will have their term expire in the first half of 1990. According to the decision made at the 9th Standing Committee session of the 7th National People's Congress and the proposal for the end-of-term elections adopted at the 12th Standing Committee session of the 7th provincial People's Congress, the county and township people's congresses across the province will carry out the end-of-term electoral work from this November to next April.

Li Zhen, chairman of the Standing Committee of the provincial People's Congress, made a speech at the conference.

He urged: All localities should deepen their understanding of the great significance of the end-of-term electoral work and define the guiding ideology and requirements for the electoral work. Under the guidance of the guidelines of the 4th plenary session of the 13th party Central Committee and Comrade Jiang Zemin's National Day speech, we should consciously ensure

voters' right to exercising democratic votes, further strengthen and improve the People's Congress system, and arouse the people's enthusiasm for being the masters of the country and managing the work of the local organs of state power.

Li Zhen pointed out: We should attach primary importance to the following two tasks in carrying out the electoral work. First, we should greatly upgrade the quality of deputies to the People's Congresses so as to ensure that the county and township People's Congresses will further effectively exercise the functions and rights entrusted by the Constitution and law. Second, we should greatly strengthen the leading bodies of the county and township organs of state power. After the elections, the newly elected leading bodies should enjoy the trust of the people; be able to guide the local people to implement the party's line, principles, and policies; be honest in performing their duties; do concrete deeds for the people in a down-to-earth manner; and serve the people wholeheartedly.

Li Zhen finally stressed: In conducting the end-of-term elections, we should fully carry forward democracy and handle affairs strictly according to law. We should educate the broad masses of voters to foster an accurate concept of socialist democracy and handle effectively the relations between democracy and the legal system.

Ma Zhongchen, deputy secretary of the provincial party committee, set forth three opinions, calling on party organizations at various levels to strengthen the leadership over the electoral work.

1. Party organizations at various levels should extensively and deeply conduct propaganda and education. Election is a solemn political task. We should conduct propaganda and education to solve some ideological problems.

2. We should do a good job in examining leading bodies. In the examinations, we should persist in the policy of ensuring the newly elected leading bodies to become more revolutionary, younger in their average age, better educated, and more professionally competent; and the principle of ensuring the principle of ensuring the newly elected leading bodies have both ability and political integrity; persistently follow the mass line; and extensively solicit opinions from all fronts.

3. Principal responsible comrades of the party committees at various levels should conscientiously attend to the construction of leading bodies, ideological education, and the work of handling affairs according to law so as to achieve the electoral work.

Tan Fude, Standing Committee member of the provincial party committee and director of the Organizational Department of the provincial party committee, and Lu Hong, vice chairman of the provincial People's Congress Standing Committee and chairman of the provincial Electoral Work Committee, respectively, made speeches at the conference. Wang Shufang, vice chairman of the

Standing Committee of the provincial People's Congress and vice chairman of the provincial Electoral Work Committee, relayed the provincial electoral work committee's proposal for arranging the end-of-term elections of the county and township people's congresses in 1990. Xiao Han, Xu Jianchun, Lin Ping, Xu Sen, and Yan Qingqing, vice chairmen of the Standing Committee of the provincial People's Congress; Zhou Zhenxing, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; and Zhang Zhusheng, deputy to the provincial People's Congress and former vice chairman of the provincial People's Congress, attended the conference.

**Correction to Shandong Leaders at Worker Reception**  
SK0911233089

The following correction pertains to the item headlined "Shandong Leaders Attend Model Worker's Reception," published in the 30 October China DAILY REPORT on page 53:

source line should read: ...SK2610114189 Changchun JINAN DAZHONG RIBAO in Chinese 27 Sep 89 p 1... (changing "JILIN RIBAO" to "JINAN DAZHONG RIBAO")

**Mayor Zhu Rongji Addresses Shanghai Meeting**  
OW0611213689 Shanghai City Service in Mandarin  
2300 GMT 27 Oct 89

[From the "Morning News" program]

[Excerpts] Shanghai Municipality held a meeting on the morning of 27 October to exchange experience in building key industrial projects. Leading Comrades Zhu Rongji, Gu Chuanxun, and Liu Zhenyuan attended the meeting. Mayor Zhu Rongji spoke at the meeting.

Zhu Rongji fully affirmed the achievements made by Shanghai in recent years in applying science and technology in the course of building key industrial projects. He said that the orientation is correct and the methods are effective and that Shanghai should keep to the orientation to give further play to its superiority in science and technology. [passage omitted]

In conclusion, Zhu Rongji said: In order to overcome temporary economic difficulties at present, it is particularly necessary for the comrades on the science and technology front to bring into play the superiority of science and technology to help enterprises extricate themselves from the difficult position. [passage omitted]

**Shanghai Mayor Meets CPPCC Members**  
OW0511151889 Shanghai City Service in Mandarin  
2300 GMT 4 Nov 89

[From the "Morning News" program]

[Text] Zhu Rongji, Shanghai mayor and secretary of the Shanghai Municipal Party Committee, yesterday afternoon cordially received members of the Chinese People's Political Consultative Conference [CPPCC] from Hong Kong and Macao currently on an inspection tour of Shanghai.

Zhu, who returned to Shanghai from Beijing specifically to meet with the CPPCC members, extended his thanks to the guests for the opinions and suggestions offered during their inspection tour. He briefed the guests on Shanghai's economic situation and its reform and opening efforts. He also introduced the city's development plans to the guests.

**Shanghai Meeting on Secretary-Director Unity Held**  
HK0911145489 Beijing RENMIN RIBAO in Chinese  
1 Nov 89 p 4

[Article by staff reporter Zhang Shihong (4545 0013 7703): "Unity Between Secretaries and Plant Directors Is Most Important—Factual Report on Meeting on Ideological and Political Work in Industrial Enterprises in Shanghai Municipality"]

[Text] The meeting on ideological and political work in industrial enterprises in Shanghai Municipality ended recently and the atmosphere of the meeting was warm. At group meetings, most secretaries and factory directors spoke most actively. The key issue to be solved at the meeting was the question of the unity between secretary and plant director, the two most crucial figures in running enterprises well.

In the past, we said that the factory director is the center of an enterprise and this has been written into the "Law on Enterprises." Now the party committee has again been emphasized as the core of the political leadership, and this has resulted in a struggle between the "center" and the "core."

The Shanghai Municipal CPC Committee and the Municipal Government have an explicit understanding of this problem. The factory director responsibility system should be upheld and the factory director should be in a central position in enterprise management and production. However, for the purpose of strengthening party leadership and party building, political leadership over an enterprise should make the party committee the core. This is natural. The "center" and the "core" can be completely united in terms of their nature.

Some factory directors cannot understand this because they pay too much attention to the matter of power. How do we tackle this question? The factory director of the Shanhu Chemical Plant put it well: "A factory director, who is in the central position of enterprise management and production, should not think about the question of whether the center or the core is bigger and compete with the secretary once he hears that the function of the party organization as the political core is stressed. In my opinion, the factory director, as a party member and a

member of the factory party committee, is also in the core, and should give full play to the political function of the core." This is the attitude that a socialist factory director should hold.

In this way, will factory directors have no need to grasp ideological and political work? No. The leaders of Municipal Committee pointed out at the meeting: "We should oppose the practice of rejecting the responsibility of the party committee in leading ideological and political work at the mention of the institution of the factory director responsibility system; we should also pay attention to preventing the practice of rejecting the roles of factory directors and administrative cadres in grasping ideological and political work at the mention of the strengthening of the party committee leading ideological and political work. Strengthening and improving ideological and political work requires party committee secretaries and factory directors jointly shouldering this responsibility in their different posts." This idea was much approved by over 800 factory directors and secretaries at the meeting.

Will factory directors' power to employ people be exploited? No. In line with Comrade Jiang Zemin's many speeches, the municipal party committee and municipal government held that the fact that a factory director has the power to employ people cannot be understood as his being able to determine the question of employing and dismissing cadres. When employing and assigning cadres, factory directors with a high political level necessarily work with party committee secretaries and discuss things satisfactorily within party and government leading collectives.

During the discussions, all participants held that it is urgently necessary to study Marxist philosophy. This is not only to set up a scientific world outlook, but also to grasp a correct and ideological method to prevent the one-sidedness of metaphysics. The characteristics of the metaphysical method of thinking are that people go to extremes in everything and that they fail to see the nature of unity in things. For example, at the mention of the party committee becoming the core of political leadership, people will think that the central position of the factory director is lost. It is either one thing or the other. They fail to see that the essence of the center and the core coincides. In the past, the emphasis was put on factory directors as the center, while secretaries were pushed aside. Certainly, the situation should not now be reversed: Secretaries are emphasized, but factory directors are pushed aside. We should prevent such one-sidedness.

It should be said that many factory directors and secretaries in advanced enterprises in Shanghai have united in a rather good way. If this were not the case, they could not have become advanced enterprises. The typical experience of some enterprises revealed at the meeting fully proved this point. Their common experience is: Factory directors should respect secretaries and consult with them on major issues; secretaries should respect factory

directors and help them overcome difficulties; and both sides should self-consciously abide by the principle of the system of democratic centralism.

Therefore, the individual quality of secretaries and factory directors is of decisive significance in the issue of strengthening unity. Zhu Rongji, municipal party committee secretary and mayor, particularly stressed this point. He said: Factory directors and secretaries should cooperate well with each other, and the most important thing is to improve their own quality: First, there should be a strong party nature; second, they should have a good style, that is, have a democratic style, combine theory and practice, and be bold in conducting criticism and self-criticism; third, they should have a high standard, study hard, and upgrade their ideological and professional level. If factory directors and secretaries improve their quality and are full of righteousness, they can strictly manage enterprises and really grasp the ideological and political work."

#### **Shanghai Austerity Drive Causes Production Decline**

*HK1311011989 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 13 Nov 89 p 15*

[By John Kohut in Beijing]

[Text] Industrial output in Shanghai, China's most populous city, has declined for a second consecutive month as a result of the central government's economic retrenchment program.

The program has led to a sharp fall in demand for durable goods and has been squeezing company profits across the country.

The city's industrial output last month was nine billion yuan (about HK\$18 billion), down 4.4 percent from the previous month and 6.2 percent off from October 1988, according to a report in the CHINA DAILY quoting the Shanghai Municipal Statistical Bureau.

In September Shanghai recorded its first industrial output decline, as shortages of funds, raw materials and energy caused a 2.6 percent drop in production from August and a 1.8 percent decline from September 1988.

"The situation for the local industry is still severe," the Shanghai Statistical Bureau said in its report for October.

Given the central government's three-year economic program, endorsed by a plenary meeting of the Communist Party Central Committee which closed on Thursday, there appears to be little relief in sight for the enterprises in Shanghai and elsewhere.

The plenum resolved that the country would stick to a program designed to cool the economy and inflation,

keeping a cap on new construction projects and consumer demand. Chinese leaders have repeatedly told their countrymen to prepare for three or more years of economic hardship.

The country as a whole saw industrial production decline 0.9 percent in September from the same month in the previous year, leading some Western economists to believe China could be headed for a recession if it stays on its current track. China's government insists it can fend off recession, inflation and stagflation.

One cause of the October decline was the city's "slack market," which seriously restricted the production of consumer goods, the Shanghai Statistical Bureau said.

Manufacturing of bicycles was down 3.3 percent, the number television sets produced was off by 16.2 percent and washing machine output fell by 69.5 percent.

Another main reason for the slump was that shortages of funds, energy and raw materials throughout the first six months of the year had hurt the textile and metallurgical industries, the two mainstays of Shanghai's industry.

Light industry was the hardest hit during October, recording a 7.7 percent drop in output value to 4.9 billion yuan. The value of heavy industrial production also suffered, falling by 4.2 percent to 4.1 billion yuan.

The state-run sector, which is being given top priority under the central governments' current economic strategy, suffered a 0.2 percent drop while the value of output of semi-private collective enterprises surged by 19.4 percent.

But in line with the central government's contention that the period of economic retrenchment is a golden opportunity for industrial streamlining, the Shanghai report said the situation provides "a good opportunity for the restructuring of local industries as well as the improvement in technology and management".

Despite the gloomy news for October, the Statistical Bureau noted that the city's industrial output value reached 94.3 billion yuan for the first 10 months of this year, 6.5 percent higher than the same period of last year.

Moreover, export production last month had soared by 20.1 percent to reach 1.5 billion yuan.

Last month Shanghai Mayor Zhu Rongji urged industrial enterprises to adjust production structure, improve quality and delivery times and service in order to compete in world markets.

He promised a series of preferential banking and taxation measures to encourage enterprises to manufacture better quality goods for export and upgrade technology. Export-oriented industries would be guaranteed supplies of money, energy and raw materials.

But for Shanghai to turn around its overall industrial performance will be difficult.

On Thursday the Communist Party Central Committee issued a communique that said the government would stick to its austerity program. It would attempt to slow down inflation to less than 10 percent a year from over 20 percent at present, restrict the growth of currency, lower the gross national product growth rate to between five and six percent a year from around 11 percent last year, improve agriculture, raw material supply and transportation, and "deepen and improve various reform measures."

However, last week the government offered some relief to cash strapped industries. The Bank of Industry and Commerce pumped 4.1-billion yuan into the system to help enterprises through their financial difficulties.

#### **Shanghai's Export Earnings Exceed 1988 Total**

OW1211075989 Beijing XINHUA in English  
0724 GMT 12 Nov 89

[Text] Shanghai, November 12 (XINHUA)—Shanghai earned 3.97 billion U.S. dollars in export in the first ten months of this year, an increase of 4.13 percent over the same period last year.

The city suffered a decline in export in the first four months this year because of the shortage of funds and raw materials, but began to pick up in May.

The export in June registered a monthly record of more than 500 million U.S. dollars.

According to the forecasts, the total annual foreign trade is expected to reach five billion U.S. dollars, as against 4.6 billion U.S. dollars last year, itself a record year.

#### **Shanghai Retail Price Index Declines**

OW1211122489 Beijing XINHUA in English  
1044 GMT 10 Nov 89

[Text] Shanghai, November 10 (XINHUA)—The retail price index in Shanghai has fallen below 110 for the first time in the past two years.

A recent survey shows that the figure for October was 109.2, or 20.5 percent less than the February figure, which registered the highest rate inflation this year.

This is the first marked decrease since the index rose above 110 in November 1987. It is due mainly to the local government's efforts to stabilize the market and control prices with some "vegetable basket projects".

In October, the retail price index of vegetables in Shanghai dropped by over 20 percent.

From January to October this year, the average retail price index in Shanghai was 119.4, which was 1.9 percent lower than the figure last year.

Experts predict that the index for 1989 will fall between 3 and 5 percent if it remains stable in November and December.

**Shanghai Forms Plan To Develop Technology**

HK0611041489 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 6 Nov 89 p 3

[By staff reporter Cao Yong]

[Text] A report on the anticipated development of science and technology in the city [of Shanghai] over the next five years has been prepared by a group of experts.

The report will be a basis for the city government in working out a scientific development strategy for the Eighth Five-Year Plan that starts in 1991, Xu Ling, deputy section chief of the municipal Science and Technology Commission, told CHINA DAILY.

The report is titled Anticipated Scientific and Technological Development for 1991-1995 in Shanghai.

It notes that the city has achieved a scientific and technical capacity comparable to a level of the early 1970s in advanced countries.

By the year 1995, the city hopes to increase this to the level of the early 1980s.

In some areas, such as domestic electronic equipment, instruments and meters, the petro-chemical industry, precision chemical industry, machinery techniques and the car industry, the level may be higher, even to that of the late 1980s.

During the past four decades the city has become one of the country's major economic and scientific centres.

The Shanghai Economic Development Strategy, which was approved by the State Council, hopes the city will develop more into an export-oriented and multi-functional hub for business science and technology, finance, and information.

To achieve the goal, the report suggests the city should accelerate the readjustment of the industrial structure to promote an export-oriented economy.

During the Eighth Five-Year Plan period, the city should utilize newly developed technologies to renovate conventional industries, the report says.

Other efforts should also be done to develop technologies and localize imported techniques.

The report says tertiary industries should be emphasized in the restructuring. And more effort should be made to increase the rate of technology-intensive products in secondary industries.

The city cannot continue to rely just on domestic resources and markets. It needs to expand its horizons, the report says.

It says only an export-oriented economy can effectively solve material and energy shortages, which have plagued the city in recent years.

Considering the city's current situation, the report proposes equal attention on the development of traditional technologies and the hi-tech industry.

The report recommends a strategy based on four aspects:

To continue emphasis on the development of traditional industries by means of using new techniques and hi-tech to renovate traditional industries;

To give priority to the development of basic and infrastructure industries such as communications, transportation, electric power and raw materials;

To accelerate the localization of imported technologies. This can initially serve for the substitution of imports and then for the opening up of technical exports;

To promote the development of hi-tech especially in industries of electronics, information, machinery, new materials, bio-engineering and communications.

**Shanghai Releases Jan-Sep Crime Statistics**

OW0611054889 Shanghai City Service in Mandarin  
1000 GMT 27 Oct 89

[From the "News and Weather" program]

[Text] Although public security agencies at all levels in the city this year have tried their best to ensure the basic stability of social order, the current public security situation in the city is very grim. Major criminal offenses for the first 9 months of this year were up 97.5 percent, compared with the same period last year.

(Wang Mingcheng), deputy director of the municipal Public Security Bureau, made a public order report to members of the Standing Committee of the municipal people's congress and to deputies to the municipal people's congress this afternoon.

According to his report, 3,474 major criminal offenses were solved in the city during the period from January through September this year, representing an increase of 84.1 percent over the same period last year; and 4,156 people involved in various major criminal offenses were arrested and dealt with, up 75.4 percent from the correspondent period last year. Uncovered major economic offenses of fraud, speculation, profiteering, and smuggling amounted to 239 cases, up 42.3 percent on the same period last year; 963 economic offenders were arrested; and 9.12 million yuan in economic losses were retrieved. Some 1,627 cases involving the production, selling, and dissemination of pornographic publications and objects were investigated and handled across the city, representing 1.9 times that of the same period last year; more than 610,000 pornographic videotapes, playing card sets, and publications were confiscated, representing 3.5 times that of the correspondent period last year. Of those arrested this year, first time offenders accounted for 77.1 percent, while teenagers accounted for 54.5 percent.

It was learned that the Standing Committee of the municipal people's congress will soon organize some of its members, as well as some deputies to the municipal people's congress to conduct a major inspection of the public security situation in the city.

### **Zhejiang Congress Standing Committee Opens**

*OW0711001389 Hangzhou Zhejiang Provincial  
Service in Mandarin 1000 GMT 30 Oct 89*

[From the "Provincial Hookup" program]

[Text] The 12th meeting of the 7th Zhejiang Provincial People's Congress Standing Committee opened in Hangzhou today.

Chairman Chen Anyu presided over the meeting, and Vice Chairmen Wu Zhichuan, Li Yuhuan, Wang Qidong, Zhu Zuxiang, Wang Yumin, and Wang Bin were present. The meeting has a 12-item agenda.

During the plenary session today, the attendees heard the following reports:

- A report by Vice Governor Li Debao on accelerating Zhejiang's economic development through science and technology;
- a report by Song Shaoxiang, director of the provincial financial department, on the execution of Zhejiang's budget plan during the January-September period;
- a report by Zhang Shengyao, director of the provincial auditing bureau, on the financial state of three corporations, including the Dadongnan [Greater Southeast] Group Corporation, Ltd.;
- a report by Cui Bo, deputy director of the Legislative Committee of the Zhejiang Provincial People's Congress Standing Committee, on the examination of the draft regulations governing the collection and management of regulatory taxes levied on personal income; and
- a report by Yu Kejia, deputy director of the Legislative Committee of the Zhejiang Provincial People's Congress Standing Committee, on the examination of the draft regulations governing the security of official organizations, establishments, enterprises, and institutions in Zhejiang.

The ongoing meeting will hear and examine a report on Zhejiang's overseas Chinese affairs, a report on how the Law Governing Mineral Resources has been implemented in Zhejiang, an explanation on Zhejiang's draft measures for supervising accountancy, an explanation of the revised draft regulations governing planned parenthood in Zhejiang, an explanation on the draft regulations governing education on national defense, and an explanation on the draft Zhejiang regulations governing the organization of presidiums of township and town People's Congresses. The meeting will also discuss matters concerning the appointment and dismissal of some officials.

Leading members of the Zhejiang Provincial Higher People's Court, the Zhejiang Provincial People's Procuratorate, and other relevant provincial departments were

present at today's meeting as observers. Also present as observers were chairmen of the standing committees of People's Congresses of cities under the jurisdiction of the provincial people's government, chairmen or vice chairmen of regional committees of the provincial People's Congress Standing Committee, chairmen of People's Congress standing committees of relevant counties and cities, and members of working committees under the provincial People's Congress Standing Committee.

### **Meeting Continues**

*OW1211181989 Hangzhou Zhejiang Provincial  
Service in Mandarin 1000 GMT 2 Nov 89*

[Text] The 12th session of the 7th provincial People's Congress Standing Committee held a plenary meeting this morning. Vice Chairman Zhu Zuxiang chaired the meeting.

Participants in the meeting heard an explanation by Wang Hongyi, secretary general of the provincial government, on the interim draft regulations on Zhejiang's national defense education and a report by Tang Wenquan, director of the provincial geology and mineral resources department, on the implementation of mineral resources laws and provincial mining regulations. They also heard explanations by Yang Cunhao, deputy director of the provincial financial department, on the draft measures for managing Zhejiang's accounting affairs, and by Xu Aiguang, chairman of the provincial family planning committee, on the revised draft regulations on Zhejiang's family planning work. Also presented at the meeting were a report by Yang Zhaodi, head of the provincial government's overseas Chinese affairs office, on Zhejiang's endeavors toward overseas Chinese; an explanation by Yang Zhanda, vice chairman of the legal affairs committee of the provincial People's Congress Standing Committee, on the draft regulations on the organization of township People's Congresses in Zhejiang Province; and a report on personnel changes by a responsible official of the provincial People's Procuratorate.

Chen Anyu, chairman of the provincial People's Congress Standing Committee; Wu Minda; Wu Zhichuan; Wang Qidong; Wang Yumin; and Yang Bin attended the meeting. Vice Governor Li Debao was present as an observer.

### **Session Ends; Firms Penalized**

*OW1311064589 Hangzhou Zhejiang Provincial  
Service in Mandarin 1000 GMT 4 Nov 89*

[Text] The 7th provincial People's Congress Standing Committee successfully concluded its 12th session this afternoon. Vice Chairman Wu Zhichuan presided over the meeting. The meeting unanimously adopted regulations on strengthening the management of personal income regulatory tax and on security operations in government agencies, organizations, enterprises, and public institutions in Zhejiang Province. Also adopted were a list of personnel changes and a decision by the

provincial People's Congress Standing Committee to severely punish the Great Southeast Corporation and two other companies for their violations of the law and discipline. Chairman Chen Anyu and Vice Chairmen Wu Minda, Li Yuhua, Wang Qidong, Zhu Zuxiang, Wang Yumin, and Yang Bin attended the meeting. Vice Governor Chai Songyue and others were present as observers.

The punishment decision called for thoroughly investigating and dealing with the illegal activities of the Great Southeast Corporation, (Yue Hai Trading and Industrial Corporation), and the Hangzhou branch of (Zhejiang Economic and Industrial Corporation). It particularly called for probing and dealing with grave breaches of the law and discipline, such as profiteering, corruption, bribery, and neglect of duty. The disciplinary actions, the decision noted, would help in cleaning up and reorganizing the companies, investigating and dealing with major economic offenses, fighting corruption, and strengthening the civil administration. The decision urged the provincial people's government to take further steps to probe and deal with the three errant companies. It called on the provincial audit bureau to audit the three firms in accordance with the procedures outlined in relevant regulations, to take a decision on the basis of the vetting results, and to oversee the enforcement of that decision by pertinent departments. Supervisory organs or other related agencies should discipline those involved in the cases, regardless of status, the decision stated, adding that public security and judicial departments should pursue the criminal liability of those involved if criminal codes had been contravened.

The decision called for maintaining equality in meting out legal punishment to all those involved. It also urged concerted and earnest action in thoroughly looking into, and dealing with, problems needing further investigation, involving other units, and newly discovered irregularities. Procuratorial, judicial, public security, auditing, supervisory, financial, industrial, and commercial administration departments, along with banking institutions, should stick to the facts, base their actions on the law, and overcome obstacles in investigating and handling the cases, the decision added.

To facilitate the investigation, the decision stated, the provincial People's Congress Standing Committee should tighten supervision over the progress of the investigation, support the work of judicial and law enforcement departments, disclose the names of those who obstruct the investigation, and issue a circular on punishing those people.

#### Projects To Aid Agriculture in Zhejiang Prosper

OW0511094389 Beijing XINHUA in English  
0852 GMT 5 Nov 89

[Text] Beijing, November 5 (XINHUA)—Combined output value of 1057 aid-agriculture projects established

at or above county level in east China's Zhejiang Province topped three billion yuan, winning a profit of 800 million yuan in the past four years, GUANGMING DAILY reported today.

Known as part of the "spark program", these projects aim at spreading scientific and technical know-how in rural areas so as to promote the rural economy.

According to Zhang Xianyi, who is in charge of the program under the Zhejiang Provincial Scientific and Technical Commission, said more than 3,000 technicians are involved in these aid-agriculture projects.

Thanks to the implementation of the program, the Zhouwangmiao Printing and Dyeing Mill in Haining City which suffered a loss of 630,000 yuan in 1987 earned in 1988 one million U.S. dollars of foreign exchange in addition to completing the annual production plan.

It is estimated that the output value of the mill this year may reach nine million yuan and earn 1.9 million U.S. dollars of foreign exchange.

Guodian County in Haining City which started the magnetism industry in 1987 now has 10 magnetism electronics enterprises.

Now the output value of 50 enterprises set up in line with the program each surpasses ten million yuan and their profit each tops one million yuan.

#### Zhejiang Overcomes Trade Difficulties

OW0511132189 Hangzhou Zhejiang Provincial  
Service in Mandarin 1000 GMT 29 Oct 89

[Text] Zhejiang's foreign trade department has overcome various difficulties and made gratifying achievements in foreign trade. As of 20 October, the volume of export trade amounted to \$1.46 billion, a 21.5 percent increase over the corresponding period of 1988. The increase is among the top in the country. The department has fulfilled the state plan some 70 days ahead of schedule.

At the beginning of the year, Zhejiang's foreign trade department was facing such difficulties as a shortage of capital funds, a shortage of raw and processed materials, and rising purchase prices for goods for export. For this reason, the provincial government strengthened its leadership over the foreign trade work and strived to overcome the foreign trade difficulties. The foreign trade department suffered a serious shortage of circulating funds and had a large backlog of unfilled orders due to growth of export trade and an increase in jobs for processing imported materials. Under the leadership and coordination of the provincial government, various departments rendered great assistance to the foreign trade department. The finance and banking departments supplied more than 700 million yuan to the foreign trade department and alleviated the latter's shortage of funds.

The provincial department of foreign economic relations and trade has taken import-based exports [yi jin yang chu] as a major measure to deal with the shortage of raw and processed materials for export products, procured goods for export, and accomplished the export trade task. As of the end of September, the province had placed orders for foreign products worth \$200 million. So far, some cotton yarn, cotton fabrics, and knitting goods processed from imported raw and semifinished materials have been exported, earning foreign exchange amounting to more than \$300 million.

#### **Zhejiang Releases Jan-Sep Economic Figures**

OW0511060889 Hangzhou Zhejiang Provincial  
Service in Mandarin 1000 GMT 22 Oct 89

[From the "Provincial Hookup" program]

[Text] According to the Zhejiang Provincial Statistics Bureau, the major economic indicators registered during the January-September period show that Zhejiang's economic situation has undergone rapid changes, especially during the 3d quarter. However, certain new problems have cropped up, even though the situation continued to develop in an anticipated direction.

Investments in fixed assets continued to shrink. Compared with the same period last year, state-owned units'

investment in fixed assets dropped 17.3 percent during the January-September period.

The excessive growth of loans was controlled. The balance of bank loans at the end of September was 9.3 percent higher than that recorded in the same period last year.

The growth of wages also was curtailed. The total payroll during the first 9 months of this year increased 16.4 percent\* over the same period last year.

The rise in commodity prices continued to slow down. During the January-September period, the general level of retail prices increased 22.2 percent over the same period last year, but the increase in September was 13 percent, the lowest in 1989.

The economic performance of the industrial sector remained unsatisfactory. During the January-September period, the costs of comparable products manufactured by state-operated industrial enterprises operated with state financing increased 26.63 percent over the same period last year. The profit margin from sales of industrial goods and the profit rate on capital dropped from 16.74 percent and 27.98 percent, respectively, last year to 13.87 percent and 22.78 percent, respectively, this year.

**Shanghai-Taiwan Investment Center Opens***OW1311045689 Beijing XINHUA Domestic Service  
in Chinese 1357 GMT 8 Nov 89*

[By reporter Bai Guoliang]

[Text] Shanghai, 8 Nov (XINHUA) —In order to promote the people-to-people economic, trade, and technological cooperation and exchanges between the two sides of the Strait, Shanghai Yongfeng Taiwan Compatriots Investment Consultation Center begins offering its services today.

Jiang Zhizheng, senior economist and director of this newly-formed center, spoke at the opening meeting. He said: Shanghai has seen a monthly increase in visits by Taiwan compatriots in the second half of this year. By the end of October, some 140,000 Taiwan compatriots had visited Shanghai, outstripping the number of 130,000 visitors in the whole year of 1988. More and more Taiwan compatriots come to Shanghai for investment and business; however, they are unable to find proper channels. Our Yongfeng Center offers consultation, intermediary, and representation services to Taiwan compatriots, overseas Chinese, and their relatives. Our services include locating ideal trading and cooperation partners, introducing the investment environment and relevant policies on the mainland, undertaking feasibility studies of investment projects, applying for business licenses, and helping manage enterprises; in short, we provide a full service.

**Xiamen Cracks Case of Smuggling Guns to Taiwan***HK0911131589 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1329 GMT 2 Nov 89*

[Report by Lei Guohua (7191 0948 5478): "Xiamen Police Discloses Details on Cracking the Case of Taiwan Lawbreakers Smuggling Guns from the Mainland"—ZHONGGUO XINWEN SHE headline]

[Text] Xiamen, 2 Nov (ZHONGGUO XINWEN SHE)—Today, an official of the investigation office of the Xiamen Public Security Bureau disclosed to this reporter details on cracking the case of Taiwan lawbreakers smuggling guns from the mainland.

The public security official said: At the beginning of September, soon after getting the clues, Xiamen police carried out an investigation of a case involving a man alias Wu Tung-yuan from Taiwan's Penghu who was engaged in illegal gun smuggling in that city. On 18 September, they learned that Wu Wen-hsin, a Taiwan lawbreaker alias Wu Tung-yuan, had notified another Taiwan lawbreaker Hsu Kuang-sung, alias Yeh Chuan-fu, to go to a cement pipe near the Nanhu Reservoir in Jimei and collect some guns there for smuggling. At 1130, Hsu Kuang-sung hired a taxi to the designated place to collect the guns. At 1200, Hsu went to the coffee shop of Yuehua Hotel to meet Chen Yu-hung, a criminal who had been punished in Taiwan and was then released

on parole, and gave him some of the guns. When Chen Yu-hung got the guns, he went to the Donghai Building by taxi. After that, in order to cover his tracks, he hired a trishaw to the Lujiang Hotel, which was just a few steps away. He then returned to Room 325.

At 1230, Hsu Kuang-sung rushed to the coffee shop of Xinxin Hotel to hand over the guns to another Taiwan buyer Wu Jen-chiang. After the latter got the guns, he went to Hulishan by taxi, waiting for a boat to ship the guns out from the border. All the smuggling activities of the Taiwan lawbreakers were under the surveillance of the public security detectors.

The public security official continued: After Chen Yu-hung returned to Lujiang Hotel, he immediately had his two pistols loaded. In order to prevent the smuggling of guns and bullets, the police decided to get into Chen Yu-hung's room at 1330. When Chen heard the knock on the door, he opened the door a little and found that there were public security personnel outside. He soon turned round and jumped off the building to flee and was caught then and there by the public security personnel waiting downstairs. All the guns and bullets were also seized. At the same time, after Hsu Kuang-sung returned to Room 802 of Donghai Hotel from Xinxin Hotel, he was captured together with Hsu Peng-yu and others. But there is a rumor abroad saying that Chen Yu-hung had jumped off the building and died.

When Wu Jen-chiang got to Hulishan by taxi, he hid himself in a peasant's home. It was a place a peasant rented out to three Taiwanese surnamed Chen, Hsu, and Wang, who had illegally entered the mainland. On 25 September, Chen asked Taiwan to send a boat named "Kun Man Hsing" to get Wu Jen-chiang back to Taiwan. The guns and bullets that were transferred to and buried in the mud near Xiamen's Yuandanghu were all seized by the public security personnel after repeated investigation. In addition, on the morning of 19 September, the public security personnel also intercepted and captured all the unsold guns and bullets which Wu Wen-hsin had stored in Duishan Village, Houxi Township in Xiamen's suburbs.

Xiamen police said that Wu Wen-hsin is the chief culprit of this case. On 18 September, after meeting with Hsu Kuang-sung, who acted as a middleman, he went to a flat on the second floor, No. 12, Yuheli, Lianhua Xincun in Xiamen, staying with two paramours and waiting for Hsu's telephone call to inform him that everything was going on all right. However, when he did not receive the call at the predetermined time, he found that things had turned to be unfavorable to him. Soon he fled to Zhangzhou, and then to Quanzhou the following day. On 21 September, he even absconded to Hangzhou by taxi. On 23 September, having been informed by Xiamen police, the Shanghai Public Security Bureau sent 20,000 police to watch over all crossroads and intersections. At past 1700 that afternoon, Wu Wen-hsin and his bodyguard surnamed Liu were arrested in the home of Liu's paramour surnamed Zha. Thus, the case involving Taiwan lawbreakers smuggling guns from the mainland to

Taiwan was unraveled smoothly and the guns and bullets were totally captured. All the criminals have been caught, except for Wu Jen-chiang, who has gone back to Taiwan on the boat "Kun Man Hsing."

The public security official said that the mainland has always dealt heavy blows at illegal gun smuggling activities and has taken effective measures to stop and punish such criminal activities, which are seriously jeopardizing public security. By smuggling guns, those Taiwan law-breakers have seriously violated "The Law of the PRC on the Management of Guns" and Article 111 of the Criminal Law. They have committed the crime of gun smuggling and will be dealt with by the police according to the law.

#### Taiwan Increases Investment in Xiamen

OW0911150489 Beijing XINHUA in English 0945 GMT  
9 Nov 89

[Text] Xiamen, November 9 (XINHUA)—Investment by Taiwan businessmen has steadily increased in Xiamen in East China's Fujian Province since the Taiwan authorities lifted the ban on visits to the mainland in 1987.

Statistics show that 107 projects invested in by Taiwan businessmen, involving over 400 million U.S. dollars, had been approved in Xiamen during the first 10 months of this year, 67 percent and 340 percent up, respectively, over the same period of last year.

So far, the approved projects invested in by Taiwan compatriots in the Xiamen Special Economic Zone have reached 207, of which more than 90 have already gone into operation, with an average of 85 percent of their products exported.

In addition to investment on Xiamen island, Taiwan businessmen have expanded the scope of their investment to neighboring areas as the investment environment there has been improving.

#### Taiwan's 'Silver Bullet Diplomacy' Viewed

HK1311053589 Hong Kong LIAOWANG OVERSEAS  
EDITION No. 44 in Chinese 30 Oct 89

[Article by Yuan Yang (6678 3152): "Comment on Taiwan Authorities' 'Silver Bullet Diplomacy'"]

[Text] Recently, the Taiwan authorities "established or re-established diplomatic relations" with Grenada, Liberia, and Belize. Taiwan's highest administrators boasted about their "diplomatic results," saying that they are "very pleased and satisfied." They even said arrogantly that "many other countries" are going to "establish diplomatic relations" with them. Some propaganda machines have exaggerated the "results" of their "diplomatic blows." Having their heads turned by success, some "government officials" have frequently held talks in which they brag about Taiwan's "diplomatic strength."

However, some people in Taiwan who have deeper insight and some impartial overseas public opinion do not agree with these "results," saying that they are only superficial. Some people even show disgust at this. They are deeply dissatisfied with the practice of the Taiwan authorities pretending to be a "money-squandering boy" buying "diplomatic relations" at a high price.

According to some Taiwan newspapers reports, this "silver bullet diplomacy" has led to "controversy" on the island. At "Legislative Yuan" meetings, some "legislative councillors" have said: "It has not been easy for the people of Taiwan to earn money over the years. The government (referring to the Taiwan authorities) should not behave like a 'money-squandering boy' for the sake of its diplomacy." Taiwan's CHUNG KUO SHIH PAO [CHINA TIMES] reported that people who disagree with this practice hold that to buy the friendship of one country or two "is actually a completely meaningless waste. In the international arena, these countries do not carry much weight. Moreover, they have not had many contacts with Taiwan. The Taiwan authorities can gain nothing more than an increase in the number of countries that have 'diplomatic relations' with them. Is this 'great expense' worth it?"

Nevertheless, the Taiwan authorities have treated with indifference the criticisms of the people and public opinion and have covered up the "silver bullet diplomacy" and "money diplomacy," even claiming that they "have never relied on their economic strength for the exchange."

Actions speak louder than words. Taiwan's LIEN HO PAO [UNITED DAILY] disclosed in a report: "The fact is that over the past 10 years, many domestic banks, which have close relations with the government, have been incessantly carrying out secret 'financial diplomacy' missions and supplying friendly countries with aid according to their policy. Among these banks, the China Import and Export Bank has played the most important part."

Now the Taiwan authorities are doing everything, by hook or by crook, to carry out their "silver bullet diplomacy" and "dual recognition." This year some important political figures in Taiwan have "stealthily" and "secretly" paid "visits" to those countries that have diplomatic relations or are on friendly terms with the PRC. Traveling in disguise as a "tourist" or on "personal business," their "foreign minister" called at some European countries. In a certain European country, he "dropped in on" the country's leaders with someone's introduction. Before the meeting, he had not dared to tell them who he was. When making contacts with other countries, some Taiwan "government officials" claim to be making "public contacts." They are, however, seducing and deceiving them and roping them in.

The Taiwan authorities claim that they take the "one China" stand, but actually they are attempting to create "two China's," or "one China, one Taiwan." Even Taiwan newspapers have pointed out their errors and scheme. An editorial entitled, "There Is Only One China," carried in

Taiwan's KUNSHANG JIH PAO [INDUSTRIAL AND COMMERCIAL DAILY] says the so-called "elastic diplomacy" and "pragmatic diplomacy" pursued by Taiwan will ultimately lead to its independence.

While the Taiwan authorities are bragging about their "elastic diplomacy" and "silver bullet diplomacy," people in other countries just hold them in derision. The Philippine newspaper WORLD DAILY pointed out that the foreign minister of Belize has announced that his country has adopted a "two China's" policy and that the Taiwan authorities were pleased and honored to accept it without feeling ashamed. A commentary entitled, "The Dirty 'Elastic Diplomacy' of Taiwan," carried in the MACAO DAILY said: "Taiwan's use of its economic strength to purchase 'diplomatic relations' everywhere is to satisfy its psychological desire for 'empty glory.' What people have seen is the dirty 'carelessness about the name' policy. The article went on: Reunification is the only way out for Taiwan. If it attempts to create 'two China's,' it will not escape its responsibility for the crime.

The Taiwan authorities claim: "Taiwan will play a more important role in the international arena. On the diplomatic front, provocations and responses to them will continue." "The future is promising." What will tomorrow hold for these "elastic" and "silver bullet" diplomacies? A commentary entitled "From 'Elastic Diplomacy' to 'Money Diplomacy'" carried in Taiwan's CHINA DAILY NEWS said: "Money diplomacy" does not seem to always get its way at all. "Dual recognition," "two China's," or "one China, one Taiwan" are things that overseas Chinese do not wish to see. A HONGKONG STANDARD article said: "It is absolutely impossible for Taiwan to get the recognition of some countries. In view of world strategy and international politics, Mainland China is far important than Taiwan. As China is still developing, such a market, which possesses a population of 1.1 billion, is more appealing.

All these statements show that the "diplomatic results" that the Taiwan authorities are bragging about is an inglorious deal in which Taiwan has paid a "substantial amount" in bribes in exchange for "diplomatic relations." It is also an inglorious record of Taiwan ignoring the interests of the nation and creating "two China's." The things the Taiwan authorities are doing have met and will continue to meet opposition by the Chinese at home and abroad who favor the peaceful reunification of the motherland. They have no future. Moreover, the Taiwan authorities should do more things that would benefit the peaceful reunification of the country.

#### **LIAOWANG on Taiwan's Mainland Policy**

HK0811011789 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No. 43, 23 Oct 89 pp 23-24

[Article by Li Shuiwang (2621 3055 2489): "An Analysis of Taiwan Authorities' Mainland Policy Since the '4 June' Incident"]

[Text] The turmoil and counterrevolutionary rebellion that occurred in Beijing last spring and summer, and the resolute action the Chinese government took to quell the rebellion, have had an enormous impact and aroused a strong response within Taiwan. According to Taiwan press, in the last 2 months, the Standing Committee of the KMT Central Committee, the "Legislative Yuan," the "Group for the Guidance of Mainland Work," the "Mainland Work Council," and other decisionmaking bodies met frequently to discuss the "situation on the mainland" and "measures in response." During this period and especially in the past 2 to 3 months, top leading figures of the KMT made a host of remarks on the "current situation on the mainland" and the mainland policy, further elaborated the Taiwan authorities' mainland policy and their so-called "mainland work" in response to the "new situation," and adopted a series of "specific policies" to "cope with the developing situation."

Through these policy remarks by the KMT decision-makers and a series of actions taken by the Taiwan authorities in the recent period, one can easily discern the general trend of Taiwan's mainland policy: While allowing partial and restrictive exchanges between the two shores of the Taiwan Strait, they are going to make the best use of all internal and external factors to retain the status quo, to refuse the offer for peace negotiations, and to maintain the separation between the two shores; under the slogans of "one China" and "cherishing the long-term goal of reunification," they will seek to turn Taiwan into a de facto independent political entity and to maintain a long-term structure characterized by "peaceful competition," "peaceful confrontation," and "detente but not unification."

#### **Emphasizing the "Anti-Communist Sense," "Vigilance Against the Enemy," and "Alertness Against Crisis"**

During the turmoil and rebellion in Beijing and immediately afterward, the Taiwan authorities exercised restraint in their reaction as they were afraid that the event might cause trouble on the island itself. However, in the wake of the development of the situation, certain top leading figures of the KMT believed a good opportunity had come and they took advantage of it to launch an anti-communist campaign. They have intensified their anti-communist propaganda to a level not seen for the past few years, chanting such slogans as "extinguish communism," "overthrow the CPC regime," and "recover the country by fighting communism." Meanwhile, some insulting words against the CPC that have long disappeared, such as the term "puppet regime," appear again in CHUNG YANG JIH PAO, CHING NIEN JIH PAO, and other newspapers. KMT decision-makers have also repeatedly emphasized that the CPC remains their "enemy;" "urged" people to "heighten their vigilance" and to enhance their "alertness against crisis," and "warned" people not to do business and make investments in Mainland China.

**Sticking to the Anti-Communist Stand, Refusing Peace Talks, and Upholding the "Three Noes Policy"**

Taiwan's decisionmakers have argued time and again that "the Three Noes Policy is a necessary step toward safeguarding 'national' security," and therefore "this policy certainly cannot be forsaken for the time being" "but must be upheld, no waver nor slackness;" otherwise Taiwan "will be facing a disaster." After the 4 June Incident, the Taiwan authorities emphasized that they "will more steadfastly stick to the stand of no contact, no negotiations, and no compromise with the Chinese communist regime."

In late July this year, the KMT "Group for the Guidance of Mainland Work" met to "review" an "evaluation report" on the visit to Beijing by a Taiwan official delegation headed by Kuo Wan-jong to attend the annual meeting of the Asian Development Bank. The group agreed that the trip "helped" to "bring about a breakthrough in Taiwan's efforts to improve its image in the world and its foreign relations." While emphasizing that "the Three Noes Policy must be upheld," this group suggested that "the content of the Three Noes Policy be more clearly defined" so that Taiwan "will display a greater initiative in seeking opportunities for international activities." It is said that in "further defining" the "Three Noes Policy," the Taiwan authorities meant to endorse the "Beijing Asian Development Bank annual meeting formula" as a model to guide the handling of contacts with Chinese communist official personnel in the international meetings concerned, while continuing to rule out any possibility of contact and negotiations between the KMT and CPC on bilateral relations. During a meeting of Taiwan's diplomatic "envoys" held in June, decisionmakers of the Taiwan authorities "expressly instructed" their officials accredited abroad to stick to the principle of "no fear and no flinch" when they come across Chinese communist officials in public functions abroad, and "not to avoid" "face-to-face contact" with them.

Obviously the purpose of the Taiwan authorities in making the above readjustment is to seek "more room for activities" in the international community.

**Actively Promote "Flexible Diplomacy"**

Under the slogans "one China" and "safeguarding the integrity of sovereignty as the ultimate goal," the Taiwan authorities have separated sovereignty from administration and shown a clearer tendency to "expand" foreign relations.

In his address to the 2d plenary session of the 13th KMT Central Committee held in early June, the top leader of the Taiwan authorities made a remark that caused great concern within and without the island. He said: "There is only one China, and this country is bound to be reunified. The ultimate goal of the foreign policy of the Republic of China is to safeguard the integrity of the sovereignty of the state. For the time being we cannot

effectively exercise administrative power on the mainland. Such being the case, we should be brave in facing reality squarely. Only in this way will we not be overweening or overcautious. Also, only in this way will we be able to work out a practical program in light of the actual situation, make use of every opportunity to create a new situation, and thus accomplish our ultimate goal." Both observers at home and abroad have noted that this was the first time in the past 40 years since the KMT's retreat to Taiwan, that a top decisionmaker openly admitted that the regime "cannot effectively exercise administrative power on the mainland." Taiwan press believes that this remark was "a very important policy interpretation" which "has cleared up all the controversies and confusion on mainland policy and 'foreign' policy, that arose after the Asian Development Bank case," which "has laid down a new guideline" for the formulation of the policy toward the mainland and that on foreign relations in the future; and which "has set an orientation" guiding the relations between Taiwan and the mainland as well as Taiwan's future role in the international community.

Obviously this policy "orientation" in substance embodies a program to seek the status of an independent political entity with international personality for Taiwan, namely, the program of "two China's" or "one China one Taiwan," under the slogans "One China" and "upholding the long-term goal of reunification."

**Tolerate Partial Opening-up to and Contact with Mainland on the Premise that Taiwan's "Security" Is Safeguarded**

The Taiwan authorities have made the "safeguarding of Taiwan's security" the "fundamental premise and basis" for the readjustment of its mainland policy and for the implementation of its policy of "opening-up to and making contact with the mainland." In the past few months, decisionmakers of the Taiwan authorities made many remarks in this regard. Some of them have emphasized that "the readjustment of our mainland policy must never be effected at the expense of Taiwan's security," and that "it is necessary to take strict precautions against the CPC's infiltration."

Recently the Taiwan authorities have more clearly "defined" the following principle: A "policy of taking the initiative in hitting out" in the political and cultural fields plus a "cautious and conservative policy" in the economic field, or, in other words, an "offensive" for the political and cultural fields plus a "defensive" for the economic field. Why was this principle selected? A figure who had taken part in the KMT's decisionmaking process explained: We must not "nourish the body" of the communist party by economic means before we can change "their brain" by political and cultural "offensives," "for the outcome could otherwise be very dangerous for us."

Sources from the Taiwan authorities said: "At present, our mainland work should all be based on political counteroffensive." The so-called "political counteroffensive" and "cultural offensive" mean to make the most of the practices of sending propaganda balloons, floating parcels to the other sides of the strait, and waging "a psychological war" against the mainland by broadcasting; and means to "promote" the so-called "Taiwan experience," with a view to "encouraging changes on the mainland" and realizing the so-called "political democracy, economic freedom, social equality, and freedom of the press" that they have advocated. A figure who had taken part in formulating the KMT's mainland policy openly declared: "The basic principle of the mainland policy embodies a hope that quantitative changes will finally bring about a qualitative change in Mainland China. This will gradually change the mainland and lead to the vanishing of communism in this country, and the goal of the reunification of China under freedom, democracy, and the system of common prosperity will finally be accomplished." He also said: "The lifting of the ban on home visits to the mainland, the admission of visiting, outstanding personages from the mainland, and the lifting of the ban on visits to the mainland by journalists, and other measures that we have implemented over the past 18 months, are part of the offensive designed under the guidance of our mainland policy. The 'government' is now studying the possibility of inviting 'democratic movement activists' on the mainland to visit Taiwan. And this is also a part of the offensive."

Thus it can be seen that, apart from the "principle" of "safeguarding Taiwan's security," there is another "principle" guiding the Taiwan authorities' mainland policy, namely, that of making use of certain opening-up measures to exert influence on the mainland in the hope that the contacts between the two shores of the Taiwan Strait will be favorable to Taiwan and unfavorable to the mainland.

#### **An "Irrational and Unrealistic" Ideal Is Developing Within the Taiwan Top Leadership**

The above trend of the Taiwan authorities' mainland policy shows that an "irrational and unrealistic" tendency has been developing among certain KMT top leaders after the 4 June incident. This reflects three mentalities:

The first is the survival mentality or "post ROC [Republic of China] mentality." Although the Taiwan authorities have repeatedly declared their intention of "speeding up the process of reunification of China under the Three People's Principles," in fact they are not eager for reunification. For the present, what they are most concerned about is Taiwan's "stability" and "survival," and they really care about the "safeguarding" of Taiwan's present standing and interests. It appears that the minimal targets of the Taiwan authorities' mainland policy are to "turn the ROC into a Taiwanese power," to build Taiwan into an independent political entity under the name of "ROC," and to ensure that the regime will survive on the island of Taiwan. However, the dream for survival of the regime on this small island is unrealistic and has no future. From an historical point of view, no separate political power ruling a part of this country can

last long. In the early 1980s a notable KMT politician pointed out: "The maintenance of rule solely in a part of the country will not save a political power, and separatism will lead to its doom." This remark still gives KMT decisionmakers much food for thought today.

The second mentality is the hope for "upheaval" and "turmoil" within the mainland. People have noticed that KMT sources were inconsistent in their evaluation of the situation on the mainland and in their anti-communist propaganda these days. But some KMT top leaders did make some wrong assessments of the situation on the mainland, believing that the "chance for launching a counteroffensive against the CPC to recover the mainland," that they have been dreaming of for a long time, had now "arrived." So they "have regained their hope" and began to vigorously propagandize their theory that "the communists are going to bury themselves." This mentality contrasts sharply with the attitude of the mainland side. As everybody knows, the Chinese compatriots on the mainland have always hoped that stability will be maintained in Taiwan, and they do not wish to see any turbulence on the island, since any turmoil in Taiwan will infringe upon the Taiwan people's interests and will probably provide foreign reactionary forces with an opportunity to interfere in Taiwan's affairs. Contrary to the mainland compatriots' attitude, the Taiwan authorities have placed their vain hope of "recovering the mainland" on upheaval within the mainland. Taking advantage of the mainland's policy of unconditional opening up to Taiwan compatriots and free exchanges, the Taiwan authorities have made every effort to carry out political and ideological infiltration against the mainland, in the hope of fulfilling their goal of "political counteroffensive." But is this possible and realistic? The answer is that such an extremely unrealistic and irrational attempt will get them nowhere and is bound to fail.

The third mentality is the hope of taking advantage of the international situation. After the 4 June incident, the Taiwan authorities believed that they have been given a "golden opportunity" to practise their "flexible pragmatic diplomacy" as some Western countries "have become indignant" at the Chinese government's suppression of the rebellion and "are estranging themselves from" the mainland. Making use of this opportunity they "have taken the initiative in hitting out," adopting a series of measures to vigorously "expand foreign relations" and to "seek a breakthrough." They have sought to upgrade their substantive relations with some foreign countries to a semi-official or official level, trying to obtain "dual recognition" and to extricate themselves from an isolated position in the international community.

Since the 1970s, as the international political structure has been changing and the Taiwan authorities have found themselves in an increasingly isolated position in the international community, Taiwan has been struggling all the time for survival, seizing every opportunity in a desperate situation. After the 4 June incident, the Taiwan authorities have been trying harder in this direction. However, no country in the world today can ignore the existence of the PRC. Looking forward to the future,

we believe that there will be no significant change in the world's strategic structure and in China's established standing and influence in the international community. Therefore, the Taiwan authorities will have quite limited room to play a part in the international community and they will not be able to change their isolated position.

History develops along a tortuous path, but the historical trend is irresistible. The relations between the two shores of the Taiwan Strait cannot develop along a smooth road and will inevitably encounter some difficulties and setbacks. But national reunification is a natural development of history. It is an irreversible trend that the two shores of the strait will increase communications after many years' separation and China will finally be reunified after a long separation. We believe that all the exchanges between the two shores of the strait will continue to develop after the 4 June incident. In the past 2 or 3 months, the dark clouds that loomed large over the non-governmental contact between the two shores of the strait after the 4 June incident have gradually been dispelled, and the number of Taiwan compatriots visiting the mainland to promote all kinds of exchanges is on the increase. This indicates that, as far as the relations between the compatriots of the two shores of the strait are concerned, blood is after all thicker than water, and the Chinese people, who treasure national feelings and family kinship, can never be divided. The Taiwan authorities should give up all unrealistic illusions, "rationally" evaluate the situation, and adopt a realistic policy.

#### Commentary Cites 'Unsatisfactory' Exchanges

HK1011075589 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1232 GMT 1 Nov 89

[Commentary by reporter Fu Houmin (0265 0683 7044):  
"Exchanges Between Taiwan and the Mainland Are Still  
Unsatisfactory—ZHONGGUO XINWEN SHE Headline]

[Text] Hong Kong, 1 Nov (ZHONGGUO XINWEN SHE)—It is 2 years now since the Taiwan authorities allowed people to visit relatives on the mainland. The desire to visit relatives has led to a craze for the mainland, making it possible for people on both sides of the strait, who have been separated for 40 years, to enjoy family reunions. Nongovernmental exchanges, which have been suspended for 40 years, have resumed.

Despite the fact that the Taiwan authorities have allowed their people to visit relatives on the mainland, many indications show that they still stubbornly adhere to the "Three Noes Policy" and create many difficulties to hinder the development of relations between the two sides.

As for visiting relatives, the Taiwan authorities only allow people on the island to visit relatives on the mainland while not allowing people from the mainland to visit relatives in Taiwan. As a result, the number of visitors from one side is

much higher than that from the other. According to statistics, since November 1987, Taiwan compatriots have visited the mainland for family reunions, travel, or business negotiations on more than 800,000 occasions. However, so far the Taiwan authorities have only allowed some 2,000 people from the mainland to visit the sick or observe funeral ceremonies in Taiwan. The one-way family visit practice has led to the phenomenon of a "craze on one side." Besides, the Taiwan authorities still will not allow their civil servants to visit relatives on the mainland. This is unfair and unreasonable.

The Taiwan authorities still insist on so many restrictions on economic activities between the two sides. In the draft "Tentative Regulations on Relationships Between the People on the Two Sides of the Strait," which was passed not long ago and contained in the Taiwan "Mainland Work Report of the Executive Yuan," Taiwan firms are explicitly forbidden to directly trade with and invest in the mainland. Relevant statistics reveal that in the 2 years since 1987, direct trade volume between the two sides has reached \$6 billion and investment by Taiwan firms on the mainland has reached \$600 million. To balance the even development of the economies between the two sides, Taiwan firms are increasingly appealing for direct trade and investment. However, the Taiwan authorities have merely turned a deaf ear by adhering to the policy of prohibiting "the three exchanges."

The Taiwan authorities are restricting cultural, sports, scientific, technological, and academic exchanges by putting forward so many harsh conditions. Over the past 2 years, people from cultural, sports, scientific, and technological circles in Taiwan have been to the mainland to attend meetings, cover news, or participate in athletic meetings. They have been welcomed and received by the Chinese authorities. On the contrary, the Taiwan authorities have placed many restrictions on people from the mainland who intend to visit Taiwan. Not a single reporter, scientific or technological person, or sportsman from the mainland has as yet covered news, attended meetings, or taken part in sports meets in Taiwan. The Taiwan authorities' practice of "allowing their people to go while forbidding people from the mainland to come" has led people on the two sides to make exchanges in a third country.

What merits attention is that recently the Taiwan authorities have frequently used the "silver bullet tactics" to practise "dual recognition" and create "two Chinas." This policy conflicts with the hope of the people on both sides who are calling for strengthened exchanges and a speeding up of the reunification of the motherland.

Recently, public opinion in Taiwan indicated that the one-way practice conducted by the authorities on exchanges between the two sides will not last long. Direct exchanges and two-way communications between the two sides are a main trend. No force can artificially stop the exchanges between the people on both sides of the strait.

**Saudi Finance, National Economy Minister Visits****Meets With President Li***OW1211073189 Taipei CNA in English 1016 GMT  
10 Nov 89*

[Text] Taipei, Nov. 10 (CNA)—President Li Teng-hui received Shaykh Muhammad al-'ali Aba al-Khayl, minister of Finance and National Economy of Saudi Arabia, Friday for an exchange of views on the promotion of relations between the two countries.

President Li asked Aba al-Khayl to convey his personal regards to King Fahd ibn 'Abd al-'Aziz Al Sa'ud. Li said he admires King Fahd for his long efforts to help promote peace in the Mideast region.

The visiting Saudi minister also conveyed King Fahd's personal message to President Li. Aba al-Khayl said Saudi Arabia highly treasures its long friendship with the Republic of China [ROC] and hopes to further relations between the two countries.

Aba al-Khayl told President Li that the 11th meeting of the Sino-Saudi Joint Permanent Committee on Economic and Technical Cooperation being held in Taipei will help boost trade and economic cooperation between the two nations.

Also present at the presidential audience were Presidential Secretary-General Li Yuan-tzu, Economics Minister Chen Li-an, ROC Ambassador to Saudi Arabia Edward Y. Kuan, and Saudi Ambassador to Taipei As'ad 'Abd al-Aziz al-Zuhayr.

**Signs Economic Accord***OW1211083189 Taipei CNA in English 1527 GMT  
10 Nov 89*

[Text] Taipei, Nov. 10 (CNA)—The Republic of China [ROC] and Saudi Arabia reached an agreement to cooperate on economics, trade and science and technology Friday as the 11th session of the Sino-Saudi Joint Permanent Committee on Economic and Technical Cooperation ended in Taipei.

ROC Economics Minister Chen Li-an and Shaykh Muhammad Aba al-Khayl, the Middle East kingdom's minister of Finance and National Economy, inked the record on behalf of their respective government.

Minister Chen, describing the just concluded meeting as "very successful," said that a new horizon has already been reached in bilateral cooperation.

Aba al-Khayl expressed the hope that, on the current solid foundation, there will be increased cooperation between the two countries.

According to the agreement, the two countries will seriously study the feasibility of joint ventures in crude oil transportation, computers, shipbuilding and TV broadcasting in Saudi Arabia.

Other highlights of the accord are:

- Both governments agree to encourage ROC businessmen to invest in Saudi Arabia;
- ROC will continue to supply personnel and know-how for transportation, communications and power distribution projects;
- ROC experts will continue to assist in enhancing Saudi Arabian agricultural and [word indistinct] standards;
- Both sides will weigh the feasibility of a bilateral agreement exempting each other from aviation taxes;
- Both countries will jointly engage in researches on snake poisons, hepatitis B and biological;
- Meetings will be held to review the implementation of the current medical cooperation agreement; and
- ROC will send more medical personnel to Saudi Arabia.

**Meets Premier Li***OW1211083389 Taipei CNA in English 1540 GMT  
10 Nov 89*

[Text] Taipei, Nov. 10 (CNA)—Premier Li Huan said Friday that Peking's attempt to divide the Republic of China [ROC] and Saudi Arabia were doomed to failure and that the ROC-Saudi relations would continue to strengthen.

Premier Li made his remarks in a meeting with Saudi Finance and National Economy Minister Shaykh Muhammad al-'ali Aba-Khayl.

Li stressed that ROC-Saudi relations were firm and cordial and that both the ROC Government and people highly treasure the ties. He cited as evidence the high regard here for the Saudi ambassador.

The premier said he believed all agreements reached during the just-concluded 11th meeting of the Sino-Saudi Joint Permanent Committee on Economic and Technical Cooperation would be faithfully implemented by both parties. Trade and economic cooperation between the two countries will also be further strengthened in the future, Li pledged.

Aba-Khayl conveyed a goodwill message from King Fahd ibn 'Abd al-'Aziz al Sa'ud to the ROC people and reaffirmed the kingdom's wish to further strengthen its ties and cooperation with the ROC.

This is Aba-Khayl's fifth visit to Taipei. He told Premier Li that each of his past visits was very fruitful and successful. He added he believed the ROC's dynamic economy would continue to grow.

**Commentary Considers Deng Xiaoping Resignation***OW1511020589 Taipei International Service  
in English 0200 GMT 11 Nov 89*

[Station commentray: "Teng Resigns"]

[Text] Teng Hsiao-ping [Deng Xiaoping], Communist China's paramount leader for the past decade, has finally stepped down from his last party post, the all-powerful chairmanship of the Central Military Commission, or commander-in-chief of the armed forces. This marks his official exit from the leadership. Teng made the announcement in a letter at the closing session of a Central Committee plenum in Peking. Teng will hold the chairmanship of the National Military Commission until the next People's Congress.

Teng said that after careful consideration, he wished to resign from his last post while he is still healthy. He also wanted to realize what he called his longtime aspiration—to hand over the leadership role personally. He said he had been looking forward to completing the succession of the older generation by the younger one.

The Central Committee plenum at the closing session announced its acceptance of Teng's resignation and the appointment of his successor, Chiang Tse-min [Jiang Zemin]. Chiang's takeover of the important chairmanship of the military commission marks yet another step in his meteoric rise to power in Communist China.

A short 2 years ago, Chiang was Shanghai party boss, a relative unknown in the central power structure of the Communist Party. Last June, when Teng successfully elevated Chiang to become head of the entire party, he told party cadres that Chiang was the "core of the new leadership."

Teng has tried to overcome a power struggle behind the scenes by removing his former reform-minded proteges, Hu Yao-pang [Hu Yaobang] and Chao Tzu-yang [Zhao Ziyang], in favor of candidates more likely to be accepted by the hardline faction in the party. Hu's death sparked the social unrest that rocked mainland China in the spring; Chao fell from grace when he supported the protests. His whereabouts are unknown.

Teng's long-awaited retirement, and the appointment of Chiang Tse-min as his replacement, will not, however, put the lid on the power struggle in the Communist Party.

Foreign diplomats in Peking, and expert mainland watchers here and in Hong Kong, suspect that Chiang may only last so long as Teng is around. Chiang has no experience in handling the military, and is considered a major underdog to Teng's chief rivals, Yang Shangkun and Li Peng. Yang, a general, is second to Teng in military influence; Li is the communist premier, now known for their hardline stance in brutally quelling the Tiananmen demonstrations in June.

It's no wonder then that Chiang Tse-min's rise to power is as fragile as it was meteoric.

It remains to be seen how the hardline faction will react not only to Chiang's new post, but also to Teng's promise that reforms will continue. It is known that Yang and Li

both favor a return to Soviet-style centralization of the economy, and Maoist-style ideology in controlling politics.

To offset them, Chiang will have to try to place as much new blood in the party hierarchy as possible, as soon as possible. He cannot rely on Teng for long, but he may be able to rely on the thousands of technocrats who have risen in the party bureaucracy during Teng's tenure.

Teng's passing from the scene is a historic landmark for Communist China. But whether his policies will outlive him, is history yet unknown.

#### **Taipei-Cairo Air Route Suspended Under 'Pressure'**

*OW1211102789 Taipei CNA in English 1554 GMT  
9 Nov 89*

[Text] Taipei, Nov. 9 (CNA)—China Airlines' [CAL] landing rights in Cairo, Egypt, are to be suspended from Nov. 20, less than five months after they were allowed, after Communist China pressured Cairo authorities, aviation sources said Thursday.

CAL officials said it was "a pity," even though the Cairo route has incurred only losses for the Republic of China's [ROC's] national flag carrier.

By Nov. 20, CAL will have flown a total of 70 flights to Cairo on route to Europe since it opened the air route on July 1. By the end of September, only 277 passengers had landed in Cairo aboard CAL flights.

CAL had hoped to develop business on the Cairo route after winning more landing rights in Europe, an important target area for its international air services.

Liu Ko-ya, director of CAL's Planning Department, said CAL would continue investment with the goal of eventually recovering its landing right in Cairo.

Deputy Director General Lou Wei-hua of the Civil Aeronautics Administration was optimistic that efforts to win more landing rights in European cities would eventually be successful. CAL currently lands only in Amsterdam in Europe.

#### **Premier Li on Changes in Eastern Europe**

*OW1211110189 Taipei International Service  
in English 0200 GMT 12 Nov 89*

[Text] Premier Li Huan stated on Saturday that the dramatic changes and reform occurring in Eastern Europe now should help the Chinese Communists to realize the dangers of having a monopoly on power. The premier said that the stride for democracy and freedom is a force by people which cannot be put down. The premier said that the ROC must use its developmental experience to cause changes on Mainland China, that being a democratization of the mainland and economic liberalization with the final goal being the reunification of China.

In speaking about matters on Taiwan, Li noted that an important job of the government here now is to better the investment climate. He said that besides strengthening communications and other public development investment projects, the government will work to create a more equal tax system, cut down the widening income gap in society, and work for economic liberalization.

**Charge D'Affaires Calls on Belize Leaders**

*OW0411235389 Taipei Domestic Service in Mandarin  
2300 GMT 2 Nov 89*

[From the "National Hookup" program]

[Text] (Ho Ping-fu), Republic of China [ROC] charge d'affaires in Belize, today paid a courtesy call on Belize Prime Minister Price.

Aside from reiterating that the establishment of diplomatic relations with the Republic of China was a correct decision, Price expressed the hope that the ROC will give Belize the necessary assistance in the fields of agriculture, fishery, and light industry.

Earlier in the morning, Charge D'Affaires (Ho Ping-fu) paid a courtesy call to Belize Foreign Affairs Minister Musa. Afterward, he went to the Presidential Residence to meet Prime Minister Price.

Saying that Belize has sprawling fertile fields and outstanding [words indistinct] along the coastal areas, Prime Minister Price expressed the hope that the ROC will assist Belize in the development of its agricultural and aquicultural production. He also hoped that Chinese entrepreneurs will invest in Belize and help Belize develop its light industry.

## Hong Kong

### Editorial Opposes UK 'International Card'

HK1611142889 Hong Kong WEN WEI PO  
in Chinese 26 Oct 89 p 2

[Editorial: "The 'International Card' is Harmful to Hong Kong"]

[Text] In response to a reporter's question yesterday, a Chinese Foreign Ministry spokesman reiterated that it is purely a matter for China and Britain to settle the question of Hong Kong. The Chinese side has resolutely opposed attempts by the British side to internationalize the Hong Kong issue. In other words, the Chinese are against the British "international card."

With regard to this reaction by China and what the "international card" actually refers to, some people know perfectly well but pretend ignorance while others do not understand its meaning. They say that Hong Kong has always been an international metropolis. What is wrong with stressing internationalization to attract more foreign investment?

These people have probably not noticed that the recently proposed "internationalization" by Britain differs completely in meaning from Hong Kong always having been an international metropolis, such as an "international financial center" and "international trade center." Britain's "international card" refers to attracting foreign forces to meddle in Hong Kong's political affairs and interfere in matters which are purely for the Chinese and British Governments. In other words it refers to internationalization of political participation rather than economic internationalization. The British prime minister expressed this idea at the Commonwealth Summit. The governor of Hong Kong also expressed the same idea during his visit to the United States, in a speech requesting U.S. "participation in Hong Kong's political affairs."

Throughout its rule over Hong Kong during the past century or so, Britain has always restricted Hong Kong's political activities and has been watchful for foreign interference in Hong Kong's political affairs. However, it recently departed from its normal behavior by permitting the expansion of certain political forces, engaging in political internationalization, and attracting foreign forces. What are they actually up to? Recent speeches by British officials revealed the truth. Their remarks that they will "not turn over administration to Beijing officials" and that "the Hong Kong Government should be separated from the central government" coincided with the views proposed by the British side on several occasions during the Sino-British talks on the question of Hong Kong. To sum up, by adopting a pose of "working in the interests of the Hong Kong people," they are overtly and covertly trying to place obstacles in the way of restoring PRC sovereignty over Hong Kong. As support from Britain is not sufficient, it is necessary to

attract foreign forces to make the situation more confused and complex. This is the actual meaning of the "international card."

Through the Sino-British talks, which lasted for 2 years from 1982 to 1984, both sides reached a "Sino-British Joint Declaration" which won widespread international acclaim. The spirit embodied in the joint declaration includes: Chinese insistence on its sovereignty over Hong Kong and the British side endorsed and accepted this historical fact. Another important point in the joint declaration was that the Chinese side proposed the "one country, two systems" concept and the policy of maintaining Hong Kong's capitalist system for 50 years. The Sino-British Joint Declaration is an international agreement favorable to China and Britain as well as Hong Kong. Since the British signed the joint declaration they should respect the agreement and earnestly implement it. In the course of implementation by both sides, however, the British changed their cooperative attitude and suddenly became tough towards China. Perhaps the Conservative government thought that the change would enhance its prestige at home, win a reputation in the West, and attain more political interest for Hong Kong, including what it could not obtain during the Sino-British talks. The "international card," which runs counter to the spirit of the "Sino-British Joint Declaration," came into being against such a background.

The Chinese Government has never expressed any objection to Hong Kong's economic and cultural internationalization because this is conducive to Hong Kong's economic prosperity. In this regard, there are explicit stipulations in the 12-point policy regarding Hong Kong in Annex I [Roman one] of the Sino-British Joint Declaration. The Chinese Foreign Ministry reiterated recently that China will unswervingly carry out the commitments in the Sino-British Joint Declaration.

Why is China against the current attempt by the British to internationalize the Hong Kong issue? Because the "international card" cannot benefit Hong Kong in the slightest degree. As a matter of fact, the "international card" runs counter to the Sino-British Joint Declaration, stirs up confrontation between China and Britain and between the mainland and Hong Kong, and makes Hong Kong's political situation more complicated, throwing the transition and transfer work and responsibilities of the parties concerned into confusion. Consequently, the rights and duties will be mixed following the participation of foreign countries in the bilateral affairs of China and Britain. Such a state of affairs is bound to hinder implementation of the policy of "one country, two systems." Under such circumstances, how can we ensure Hong Kong's stability and prosperity?

The harm from Hong Kong's political internationalization is quite obvious. Political internationalization undermines cooperation and coordination between China and Britain and between Hong Kong and the interior. It could also be a shortsighted practice harmful to the British to throw Hong Kong into confusion. It should be noted that those running counter to the Sino-British Joint Declaration go against the will of the people. They will never succeed in using this or that kind of force to exert pressure on China. China is not afraid of

pressure. Moreover, China has been fair and reasonable and has established itself in an unassailable position by scrupulously abiding by the stipulations of the Sino-British Joint Declaration. If the British side continues its mistaken stand, it will only harm Hong Kong and its own interests in the long run. We advise Britain to take a broad view.

### **Governor Denies UK 'Secret Deal' With Beijing**

*HK1511015989 Hong Kong HONGKONG STANDARD in English 15 Nov 89 p 1*

[By Yusuf Karamdin and Antony Cheesewright]

[Text] The Governor, Sir David Wilson, last night described as "absolute nonsense" a report in a British newspaper that Britain had secretly promised Beijing it would not allow major changes to Hong Kong's political system before 1997.

The report was also denied by the British Government.

Quoting "reliable sources, THE GUARDIAN said the secret agreement explained why Britain had been stalling on demands from Hong Kong to accelerate the process towards full democracy and why officials had emphasised that it would be unwise to introduce political reforms which Beijing could rescind.

"I saw a fax of that report just as I was walking up here this evening," said Sir David prior to his departure for London last night.

"I can tell you that that allegation that there was some secret deal in 1984 is absolute nonsense.

"There was no such secret."

Sir David said figures reported so far on the number of Hong Kong people to be given the right of abode in Britain were only speculative.

"The purpose that I've got in mind is to press for a generous package for Hong Kong.

"Something which will enable us to keep in Hong Kong some of the key people to ensure that Hong Kong keeps going both in terms of the economy and the Government."

Sir David stressed that he would be seeking a balanced package.

"Of course we have a concern for people in the Government service, they're essential for keeping Hong Kong as a whole going."

During his three-day visit to London, the Governor will brief the newly-appointed Foreign Secretary, Mr Douglas Hurd, on the latest situation in the territory.

Sir David will also meet the Minister of State with special responsibility for Hong Kong, Mr Francis Maude, and other officials at the Foreign and Commonwealth Office.

He will call on the Home Secretary, Mr David Waddington.

The Governor is also expected to discuss the issue of Vietnamese boat people.

"That is one of the things that I should certainly be discussing.

"And during this winter period we must get in place arrangements for the orderly return to Vietnam under acceptable monitoring conditions for people who are not refugees."

### **Territory To Integrate Domestic, World Markets**

*OW1611020689 Beijing XINHUA in English 1554 GMT 15 Nov 89*

[Text] Hong Kong, November 15 (XINHUA)—Hong Kong will concentrate on integrating its domestic financial market with those of the world's leading financial centers over the next decade, the "SOUTH CHINA MORNING POST" today quoted Francis Yuen, chief executive of the Hong Kong Stock Exchange as saying.

"The unprecedented economic prosperity in the past decade has resulted in an explosion of international investment through mutual funds or other intermediaries," Yuen told a forum organized by the "ASIAN BUSINESS" Tuesday.

More cross-boundary capital-raising activities had been seen and investment banks had expanded aggressively in both established and growing markets to accommodate demand, he added.

While economic growth had reached its peak in the current cycle, deregulation and technological advances would continue to be the driving forces in the world financial markets in the 1990's, Yuen said.

Deregulation would result in stiffer competition which would encourage more product innovation, he said.

The momentum of financial liberalization was picking up in Europe and the Far East, Yuen noted.

He held that while other Asian markets would occupy themselves with formulating policies for their financial liberalization in the next decade, Hong Kong and Singapore would try to integrate their domestic markets with the major world centers.

### **SRV Soldiers Reportedly Join Refugees**

*HK1411014989 Hong Kong SOUTH CHINA MORNING POST in English 14 Nov 89 p 3*

[By Alan Boyd]

[Text] Vietnamese soldiers withdrawing from Cambodia have reportedly mingled secretly with boat people leaving for Hong Kong in the hope of getting resettlement.

Thai refugee officials said they were told by their Hong Kong counterparts that an unspecified number of Vietnamese, formerly based with their units in Cambodia, had not returned to Vietnam.

Instead, they joined boats leaving Cambodia—probably using the southern port of Kompong Som as a departure point—and sailed for Hong Kong.

The other Vietnamese in the boats are believed to have included long-term settlers afraid of staying in Cambodia after the Vietnamese pull-out.

"The Hong Kong authorities believe that many Vietnamese troops fled during the pull-out to the British colony with a view to being resettled in third countries," the Deputy Thai foreign Minister, Mr Prapas Limpabandhu, said in Bangkok.

"They said there was a significant increase in arrivals following the completion of the withdrawal."

Mr Prapas was speaking after talks with Hong Kong officials on the possible implementation of a forcible repatriation program, which Thailand has said it will probably support.

The Government's Refugee Co-ordinator, Mr Mike Hanson, confirmed that there were a number of former North Vietnamese soldiers in Hong Kong's detention centres.

Mr Hanson said the former soldiers were quite a problem as many of them were ringleaders who organised the boat people into factions inside the camps.

A security Branch official predicted that all soldiers would most likely be screened out as non-refugees.

#### Foreign Affairs Specialist To Join XINHUA

HK1611015789 Hong Kong HONGKONG STANDARD in English 16 Nov 89 p 1

[By Tammy Tam]

[Text] A senior official of the Chinese People's Institute of Foreign Affairs in Beijing is to join the Foreign Affairs Department of the local XINHUA News Agency, informed Chinese sources said yesterday.

The appointment of Mr Yang Youyong, a former deputy secretary general of the institute, is seen as an effort by Beijing to strengthen the department, which is shouldering an increasingly heavy workload.

It is believed that one of his responsibilities is to liaise with the Political Advisor's Office.

Mr Yang, in his 50s, has already obtained a Hong Kong entry visa from the British Embassy in Beijing. His official rank here will be consul.

XINHUA's Foreign Affairs Department is headed by Mr Ji Shao-xiang, a British-educated diplomat who worked in the Foreign Ministry before coming to Hong Kong.

Mr Ji played a key role in recent negotiations with the Hong Kong Government over the dissident swimmer Yang Yang and for resuming the repatriation of Chinese illegal immigrants.

The department at present has only one deputy, Mr Szeto Keung, who liaises with the diplomatic corps in Hong Kong.

The Chinese sources said Mr Yang, a 1950s graduate from the Beijing Foreign Studies University, worked as a translator in the Foreign Ministry before being transferred to the institute, which was founded in December 1949 at the suggestion of the late Premier Zhou Enlai for the study of international problems and foreign policy.

The institute's vice presidents include former Chinese ambassador to the U.S. Mr Cai Zemin and Ms Xu Hanbing, wife of the Hong Kong and Macao Affairs Office [as published] Mr Ji Pengfei.

Meanwhile, in an attempt to strengthen Beijing's management of the local left-wing press, Mr Liu Dongmin, a section head of the Propaganda Department of XINHUA, has been appointed as the deputy editor-in-chief of the pro-Beijing WEN WEI PO, Chinese sources said yesterday.

The newspaper is currently headed by Mr Chen Bojian, a former vice-director of XINHUA.

The sources said that despite earlier press reports, no additional official was due in Hong Kong to take over as a XINHUA vice-director in preparation for an impending reorganisation at the agency.

Mr Pan Zhengxi, who has been in Hong Kong as an advisor to XINHUA for the past year, has recently been made a vice director mainly in charge of economic affairs.

His appointment has brought the total number of vice-directors of XINHUA to six.

#### Macao

#### Plans for International Airline Outlined

HK1511020189 Hong Kong SOUTH CHINA MORNING POST in English 15 Nov 89 p 3

[By Tad Stoner and Adam Lee in Macao]

[Text] Macanese investors will establish a \$500 million international airline that will operate from the enclave's new airport in 1993, independent of Portuguese airservice agreements.

The Government will hold a "small number of shares" in the new venture, but will withdraw when the airline

reaches maturity, Macao's under-secretary for special projects, Mr Luis Vasconcelos, said yesterday.

Mr Vasconcelos said the organisation of Macao's still-unnamed flag-carrier would begin next year with an initial outlay of \$10 million, and achieve full operation by the 1993 opening of the \$3.5 billion international airport.

Negotiations on landing rights will begin next year with Japan, South Korea and the Philippines, although no commitments had been made yet, he said.

Macao's Government was free to sign its own air-traffic accords without reference to Lisbon after talks with the

Portuguese Government gave full independence to the new airline, Mr Vasconcelos said.

He did not say how many shares the Government would hold in the carrier.

He said that although no decision had been made about other shareholders, several European, American, Hong Kong and Taiwanese companies had expressed interest in the airline.

A spokesman for Hong Kong-based Cathay Pacific Airways said last night that the airline could not comment on the plan without knowing details, but that it would be difficult for the carrier to operate out of Macao.

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